



FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

Tuesday January 30 1979 ***15p

No. 27,777

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NEWS SUMMARY

GENERAL

Smith pleads with whites

Rhodesian Prime Minister Ian Smith, speaking on the eve of today's crucial referendum, warned that if whites rejected the Government's plan the consequences would be "too grave to contemplate."

Mr. Smith said in a campaign message that a vote against a constitution based on black majority rule would drive moderate black nationalists into the arms of guerrilla forces.

The Government plan is for one-man, one-vote elections in April which would be followed by a government of national unity. Whites, outnumbered 27-1 by blacks, would hold more than a quarter of Cabinet posts.

Mr. Smith is opposed in the referendum by several groups of whites as well as the Patriotic Front supporters.

Milan killing
A Milan deputy prosecutor was shot dead at the wheel of his car by four men, raising fears of a renewed terrorist campaign amid the latest Government crisis. Prime Minister Andreotti is expected to resign today following the withdrawal of Communist support for his minority Government. Page 2

Olympic deadline
The International Olympics Committee has given Los Angeles one month to settle a new financial wrangle over its staging of the 1984 Olympics. The dispute is over the exact method by which Games costs will be paid and the IOC said other cities would be invited to bid if a settlement was not reached by March 1.

Syria-Iraq link
Syria and Iraq are to merge their Foreign, Defence and Information Ministries as the first step towards unification. An announcement is expected at the end of talks which are going on in Damascus. Page 3

Tory alliance
The Conservative Party has made its first formal link with groups representing a range of industries by setting up the Private Enterprise Consultative Council, covering about 180,000 companies. Page 6

Britain on ice
Thousands of Britons' roads were in the grip of black ice yesterday. Many were closed and there were numerous accidents on others. The RAC said sections of road resembled battlefields. Forecast. Back Page

Paris blast
A bomb seriously damaged the library of the British Council in Paris but no one was hurt. Police found nothing after an anonymous warning, but as they left the bomb exploded.

Queue for song
London Transport is opening a bus route round the main West End shopping areas using buses equipped with tapes playing soft music, with advertising breaks. The service starts in April.

BUSINESS

Equities fall 1.7; Silver at record

EQUITIES drifted lower, with greater emphasis being put on secondary stocks. The FT Industrial Ordinary index closed at the day's lowest of 463.3, 1.7 down.

GILTS were sensitive to the quotation of interest rates, the Government Securities index losing 0.02 to close at 66.51.

SILVER reached an all-time record level of \$31.2p an ounce, up 2p. GOLD rose \$1 an ounce to close at \$235.5.

STERLING closed unchanged at \$1.9959, the pound's trade-weighted index rising to 63.4 (63.3). The dollar's depreciation narrowed to 3.3 (8.5) per cent.

WALL STREET was down 2.77 at \$56.98 near the close.

Union firm on bank hours
DELEGATES at a National Union of Bank Employees conference took a firm line against the general extension of bank opening hours. Where extended opening can be negotiated, the union will seek a 28-hour working week. Back Page

BRITISH manufacturers of naval equipment are expected to secure sub-contracting work worth £100m when Argentina confirms its order for six frigates worth £500m from the West German yard of Blohm & Voess. Back Page

PILKINGTON Brothers is to pay £14.5m for stakes in two Brazilian glass manufacturing companies, Companhia Produtora de Vidro (Providro) and Santa Lucia Cristals Blindex. Back Page

BAYERISCHE Motoren Werke (BMW) plans to spend DM1.2bn (\$1.6bn) over the next three to four years on reworking its model range, modernising production and adding to capacity. Page 21

CHI and Sir John Methven, its director general, were rebuked by Prices Secretary Mr. Roy Hattersley for criticism of the Government's proposed prices code changes. Page 12

UK CLOTHING industry is poised to become one of the strongest in Europe, according to a report by the industry's economic development committee. Page 7

BRITISH pharmaceuticals exports in 1978 reached a record £264.5m—18 per cent up on the previous year's figure.

JAPAN'S exports to China grew by 57 per cent to a record \$3.05bn (£1.5bn) in 1978, according to the Japan Association for the Promotion of International Trade. Page 5

Government seeks union deal in three weeks

'Stop the rot' or Labour faces defeat Premier tells TUC

BY CHRISTIAN TYLER, LABOUR EDITOR

THE PRIME MINISTER asked the TUC yesterday to "stop the rot" and warned that unless the unions put their own house in order he and the Labour Government would face defeat if forced into an early election.

An emergency round of TUC meetings with Ministers on all topics in which the TUC has interest or influence is to continue this week and next. Mr. Callaghan told the TUC general council yesterday that he wanted an agreement sewn up in only two or three weeks' time.

The TUC team, led by Mr. David Bannett, the acting chairman, told Mr. Callaghan again that there was no chance of agreement on a pay limit, whether 5 per cent or higher, for this round.

The Government now hopes to persuade the TUC to exercise more authority over union bargaining, even if it cannot agree figures.

Mr. Callaghan said he would continue to seek pay settlements as close as possible to his Phase Four 5 per cent limit. There was no mention of a pay or price freeze.

Just as important as pay, however, was what the Government saw as the danger of unions getting a bad name because of pickets' behaviour, precipitate strikes, and low-profile leadership.

The two sides have agreed to Strike effects Page 8 • Parliament Page 12 • Editorial comment Page 16

Public service workers likely to step up action

BY PAULINE CLARK, LABOUR STAFF

UNION LEADERS in the week-long campaign of disruption by 1.5m public service workers are likely to start laying plans today to intensify their action.

The four unions involved at a joint planning meeting today are expected to extend selective action, including strikes, to those local authorities which have so far escaped the effects of the co-ordinated union campaign over low pay.

Ambulance staff, dustmen, school cleaners and hospital ancillary workers are all likely to be involved in extended strikes, work to rules and overtime bans.

GENERAL STABBED IN TEHRAN

Bakhtiar grip on Iran may be slipping

BY OUR FOREIGN STAFF

DR. SHAHPUR BAKHTIAR'S Government appeared almost totally to have lost control of events in much of Iran yesterday as the streets of Tehran were again the scenes of bloody rioting.

Scores of protesters were killed and hundreds injured. Dr. Bakhtiar's shadowy Government seemed unable to fill the political vacuum left by the departure of the Shah and the non-arrival of the Ayatollah Khomeini, the exiled religious leader.

Local arbitration was agreed at the weekend by Transport and General Workers' Union regional officials in the South-west and the Western area of the association.

The response to yesterday's developments by union representatives on regional negotiating committees within the industry was unclear last night.

A local arbitration settlement close to the unions' claim for a 285 top rate would be enough, however, to tempt many union officials to settle regionally.

The three men on the arbitration panel are Mr. Frank Cousins, retired general secretary of the Transport Union, Mr. Geoffrey Jones, a Bristol solicitor, and chairman Mr. John Garnett, director of the Industrial Society.

Mr. George Newman, director-general of the Road Haulage Association, said that the agreement to make the arbitration decision nationally applicable had been taken in the "national interest."

It is partly an attempt to resurrect the idea of national wage setting and national arbitration as well as fixing the same wage rates throughout the industry, reflects some weakening in the position of the association, which has previously maintained that hauliers cannot afford to offer more than a top rate of £80, worth 15 per cent with improved fringe benefits.

Mr. Newman said yesterday that hauliers had made a net loss of about £20m during the strike, taking into account savings on wages and fuel.

The association expects that those companies which have settled below what turns out to be the arbitration decision will consider raising their pay rates to the arbitration level.

Mr. Alex Kitson, Transport Union executive officer, said that about 1,000 "hire and reward" haulage companies had been affected by the strike.

GRIEF PRICE CHANGES YESTERDAY
(Prices in pence unless otherwise indicated)

RISES

Bambers Stores	135 + 7	Warford Inv.	372 + 12
Barker & Debono	144 + 1	Well	80 + 5
Beal's Cosmetics	25 + 1	Winturst	77 + 4
Berisford (S. & W.)	168 + 6	Charter Secs.	146 + 7
Brent Chemicals	210 + 10	De Beers Defs.	444 + 12
Brit. Car Auctions	644 + 4	Debtfrail	123 + 7
Dalgety	220 + 7	Impala	234 + 16
Heath (C. E.)	225 + 5	Johannesburg Cons.	171 + 2
Hilliards	218 + 5	Lydenburg	100 + 10
Home Charm	288 + 6	Pacific Copper	85 + 5
Leyland Paint	85 + 4	Rustenburg	253 + 5
Lynbro	87 + 3	St. George's	147 + 9
MFI Furniture	201 + 9	Treasury Variable '81	£96 1/2 - 1/2
Macallan - Glenlivet	470 + 30	Decca A	360 - 13
Morrison (Wm.)	97 + 5	Glaxo	473 - 5
Nash (J. F.)	302cd + 61	Laurence Scott	94 - 5
Plaxton's	115 + 5	Liden	9 - 2
Status Discount	245 + 7	Norton & Wright	140 - 4
Stewart Electric	174 + 4	Sutcliffe Speakman	42 - 4
Vertis Stone	52 + 5		

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Italian political crisis deepened by terrorism

BY RUPERT CORNWELL IN ROME

AS PREMIER Sig. Giulio Andreotti prepared for the demise of his Government, extreme left-wing terrorists yesterday stepped up their onslaught with the assassination in Milan of one of Italy's leading younger magistrates.

The killing of Sig. Emilio Alessandrini, 37, the city's deputy public prosecutor, was deeply involved in investigations into both neo-Fascist organisations and the Red Brigades, has heightened the tension surrounding the latest Government crisis.

The outrage, coming only five days after a Communist shop steward was murdered in Genoa, cannot fail to exert an influence on developments here, and harden the general resolve of politicians to avoid plunging Italy prematurely into the extra uncertainty of a lengthy general election campaign.

The Prime Minister spoke of the latest assassination when he appeared before Parliament last night—the first stage of a process expected to culminate in his resignation either today or

tomorrow, following the withdrawal of Communist support for his administration last Friday. Sig. Andreotti dwelt above all on the economic turn-around in the country under his two Governments since July 1976. Inflation had been halved from 23 per cent to 12 per cent, a payments deficit of \$2bn had been transformed into a record surplus of over \$3bn in 1978, and gross reserves had risen to \$29bn.

He also confirmed that Italy last year recorded its first annual trade surplus since World War II. All this, the Prime Minister declared, contrasted vividly with the initial stages of his administration, when the country was forced to negotiate an essential loan from the IMF and when it had reached "the brink of unmanageability".

The three-year economic plan unveiled this month—and which would have been debated last night, had the present crisis not intervened—would provide a solid basis for recovery to continue.

Meanwhile, political leaders of all parties expressed their shock and sorrow at the death of Sig. Alessandrini. It was announced last night that Sig. Sandro Pertini, the Italian President, will be attending the funeral later this week.

Responsibility was later claimed by the left-wing Prima Linea (Front Line) organisation, closely linked, it is believed, with the Red Brigades. Sig. Alessandrini's group's seventh victim in less than a year.

The outrage has completely overshadowed the latest success of anti-terrorist police over the weekend. Six suspected extremists were arrested in two hide-outs in Turin, including a German girl named as Ingeborg Keiznach. They are believed to have been involved in the kidnapping last spring of Sig. Aldo Moro, the former Prime Minister—and the presence of a German among them reinforces the conviction that close links exist between the Red Brigades and the West German Red Army Faction terrorist group.

Budget dispute splits the Nine

By Guy de Jonghères, Common Market Correspondent in Brussels

A SPLIT has developed between governments of the Nine over how to deal with the constitutional dispute which has arisen from the European Parliament's decision to vote a substantial increase to the EEC regional fund as part of this year's Community budget.

Britain, France and Denmark have indicated they intend to turn the issue into a test of wills between the Council of Ministers and the Parliament by refusing to contribute sufficient funds next month to cover the expenditures provided for in the final budget draft approved by European MPs at the end of last year.

Their decisions are intended to drive home their argument that the Parliament acted illegally by exceeding its authority to amend proposed budgetary expenditures and that the draft which it voted is therefore constitutionally invalid.

Accordingly, the three governments are proposing to invoke an EEC rule which states that, in the absence of an agreed budget, member-states shall contribute each month one-twelfth of the expenditures in the budget draft after its first reading by the Council. The difference between the two drafts is 480m units of account (about £320m) out of a total budget of about £10m.

Other governments have also voiced misgivings about the legality of the Parliament's action. But most of them appear prepared to make the contributions required by its version of the budget, at least temporarily while further efforts are made to achieve a negotiated political compromise between the Council and Parliament.

The Commission is due this week to consider a compromise proposal, calling upon the Parliament to approve a special supplementary budget.

Jenkins jumps to defence of Haferkamp

By Our Brussels Staff

MR. ROY JENKINS, President of the European Commission, yesterday intervened publicly to defend his German colleague, Herr Wilhelm Haferkamp, against Press accusations that he has been incompetent and has made extravagant use of his expense account.

Mr. Jenkins made a statement that he had full confidence in Herr Haferkamp's performance as Commissioner responsible for external relations, and that his achievements and the value of his working relationships inside and outside the EEC were in no doubt. The statement did not seek to rebut directly charges that Herr Haferkamp had on several occasions indulged in excessively lavish spending while travelling abroad, but merely said his expenses were subject to internal Commission control procedures, the nature of which was not specified.

The controversy about Herr Haferkamp's conduct has arisen from an article in the current edition of the Economist, which identifies several occasions on which he has spent surprisingly large amounts of Commission money on hotel suites, car hire and official receptions. The German Commissioner, a former trade union official, has not denied the incidents described in the article, saying only that they were taken out of context. The Commission has declined to divulge further information on expenditure by Herr Haferkamp or his colleagues.

THE ROMANIAN FOREIGN MINISTER IN MOSCOW

Claiming the freedom to differ

BY ROGER BOYES

MR. STEFAN ANDREI, the Romanian Foreign Minister, arrived in Moscow for a week-long visit which is designed to ease some of the strains in relations between Bucharest and Moscow. East European diplomats, however, believe that Mr. Andrei will have a difficult time convincing Soviet leaders that Romania, the wayward member of the Warsaw Pact, genuinely wants a rapprochement.

Only days before Mr. Andrei's arrival yesterday, Romania criticised Comcon for maintaining "wrong stands affecting the principles of sovereign management of the economy." This was a tacit criticism of Soviet-inspired attempts to impose a greater degree of integration on the economic organisation.

Other serious issues also divide Romania from the Soviet Union. President Nicolae Ceausescu has recently opposed efforts to raise defence spending in the Warsaw Pact, he has encouraged Egyptian-Israeli peace talks in the wake of the Camp David talks, he has displayed a strongly independent line on China and he has criticised the Vietnamese-supported invasion of Cambodia.

Mr. Andrei's task will be to convince Moscow that these recent policy statements do not represent an open defiance of the Soviet Union but are simply a function of Bucharest's independent policies. For the Soviet leadership, however, this distinction is largely academic.

The Soviet Union's main bone of contention with Romania is that the latter has chosen to publicise the differences between the two countries. Western experts believe that the main thrust of the Moscow talks will be to persuade Romania to keep any disagreement under wraps, rather than actually setting disputes.

At the Warsaw Pact summit in Moscow last November, President Ceausescu adamantly refused to increase his country's defence budget or to ensure closer integration of the Romanian armed forces in the Warsaw Pact command structure. This was not altogether unexpected—Romania has long refused to have any Soviet troops on its territory—but Mr. Ceausescu chose to make the

differences public, thus violating a long-standing agreement to keep Warsaw Pact issues secret. Romania has also recently refused to sign an Eastern bloc communique denouncing the Camp David talks. Mr. Andrei will almost certainly argue during his stay in Moscow that Romania had little choice—as the only East European country to recognise both Israel and the Arab countries, Bucharest was obliged to encourage Camp David and the subsequent peace talks.

Mr. Andrei then, though apparently well-liked by the Soviet leadership, will have problems during his visit. He is due to have talks with Mr. Andrei Gromyko, the Soviet Foreign Minister, and may meet Mr. Leonid Brezhnev, the Soviet President. Mr. Brezhnev rather pointedly passed through Romanian territory without stopping on a recent train trip to Bulgaria. The Brezhnev visit to Bulgaria was understood to be a signal to Romania that Balkan countries which remained faithful to Moscow could expect no special treatment. Western strategists believe that one of the principal Soviet fears is that Romania's brand of independence should spread to Bulgaria, thus undermining the reliability of the south-western flank of the Pact.

The Soviet Press has played down Mr. Andrei's visit, which has been portrayed as simply repaying a visit by Mr. Gromyko to Bucharest last year. Mr. Zadiqyan is 33, and a former student at Yerevan University. He was arrested with two other young Armenians in November, 1977, and accused of conspiring to plant a bomb at Moscow's Kazan railway station, according to Armenian dissidents. But until yesterday there was no hint that they were also to be charged with causing the fatal underground blast.

Mr. Zadiqyan was a member of the Armenian nationalist group, the National Unification Party (NOP). NOP's goal is the unification of the Armenian lands, including Turkish Armenia, and Karabach Nakhichevan, a part of Soviet Azerbaijan. The Soviet authorities cracked down on the group and Mr. Zadiqyan was one of the first to be arrested.

Moscow death sentence

BY OUR FOREIGN STAFF

MR. STEFAN ZADIKYAN, a leading Armenian dissident, has been sentenced to death by a Soviet court on charges of causing an explosion two years ago in the Moscow underground railway. Professor Andrei Sakharov said in Moscow that Mr. Zadiqyan's relatives were informed of the death sentence last Friday, but that there were still no details of the trial.

At the time of the explosion, on January 8, 1977, Soviet informants said at least four passengers were killed and several injured when the blast ripped through a carriage of an underground train approaching Perromayskaya station. In June, 1978, the Soviet agency, Tass announced that several people had been arrested in connection with the blast, but gave no names.

Dayan seeks to break the ice in Israeli-French relations

BY ROBERT MAUTHNER IN PARIS

THE ISRAELI Foreign Minister, Mr. Moshe Dayan, yesterday began a two-day official visit to France with the avowed aim of improving the cool relations between the two countries, which have existed ever since the Six-Day War in 1967.

Mr. Dayan's visit, which opened with talks with his French opposite number M. Jean Francois-Poncet, was the first to France by any member of the Israeli Cabinet since Mr. Menachem Begin became Prime Minister two years ago. Mr. Dayan was also due to see M. Raymond Barre, the French Prime Minister, later yesterday.

In spite of the good intentions behind the visit however, there seems little prospect of a

real rapprochement between the two sides. Though outwardly, relations have been less tense since the election of President Giscard d'Estaing in 1974, and helped Egypt and Israel to conclude a peace treaty. But he has been frank in his dealings with Israel and added that he would surely not have been invited to France if the French Government did not desire an improvement in relations.

Regarding the contents of a possible peace treaty with Egypt, Mr. Dayan said that before Israel evacuated the Sinai Desert, it must be sure of being able to purchase the oil that it will no longer obtain from Iran either from Egypt or another supplier.

More trouble for Irish Post Office

By Our Dublin Correspondent

THE LONG-STANDING dispute involving Irish Post Office engineers seems to be over with the acceptance by a considerable majority of proposals on a new pay and productivity scheme. But the news has brought little cheer to Post Office users who now face considerable disruption from early next month over a 20 per cent pay claim by other Post Office workers.

The engineers' dispute crippled the telephone system last year and brought the country considerable adverse publicity. It has also slowed down attempts to modernise the inadequate Irish telecommunications system.

The new deal proposes ways of measuring the savings produced by new technology and changed work practices by the engineers, and was accepted by more than two to one, which should reduce the threat from militant Dublin branches to block any settlement.

The massive claim from other workers, including telephonists and postmen, reflects the feeling that several sectors of the public service that other grades have kept ahead of national wage agreements during the last three years.

The pay claim is outside even the guidelines suggested by trade union leaders of 15 per cent for the coming year, which in turn is considerably more than the Government considers the country can afford.

The Government is concerned about signs that the current round of wage claims is beginning to look uncomfortably like what is happening in the UK and both the Minister for Finance and the Prime Minister, Mr. Lynch, this week urged Irish trade unionists to look to countries like Germany for their example rather than Britain.

EEC intervenes in Veba deal

BY ADRIAN DICKS IN BONN AND GILES MERRITT IN BRUSSELS

BRITISH PETROLEUM and Veba face a further delay in putting into effect the DM 500m deal agreed last summer, following an unexpected, last-minute intervention in the case by the European Commission in Brussels.

There was uncertainty in both Bonn and Brussels last night about the reasons for the last-minute Commission intervention. It had previously been understood in Bonn that neither the Competition nor the Energy directorates had any reservation about the deal.

The Commission confirmed in Brussels last night that it is launching an investigation into the proposed deal to determine whether or not it infringes the Rome Treaty's competition rules.

According to Commission officials, particular concern is being caused by the fact that the deal would place shareholdings totalling 65 per cent of the equity of West Germany's giant Ruhrgas concern in the hands of four oil majors. Hearings are therefore to be held in Brussels in the near future at which representatives of BP, Shell, Esso and Mobil will be invited to attend.

The Commission probe is aimed at establishing whether or not the deal would infringe articles 85 and 86 of the Treaty of Rome. The Competition directorate is believed to be concerned that the competitive structure of the European oil

and gas industry might be threatened. The investigation, which is expected to be concluded in a matter of weeks, will also analyse energy supply and financial control patterns in the European industry.

There is no suggestion, however, that Shell, Esso or Mobil should be required to change their shareholdings in Ruhrgas. The Commission's inquiry is expected to discuss ways in which BP might modify its shareholding, or limit its voting power. Commission officials have indicated that the BP-Veba deal would be more acceptable if it resulted in the four oil majors controlling just under 50 per cent of Ruhrgas.

So soon as the Commission's interest was communicated to Bonn, Consul Otto Lambsdorff, the West German Economics Minister, made known that he would await the outcome of its deliberations before announcing his own decision whether to let the deal proceed.

It was understood in Bonn that the Brussels Commission is interested in an aspect of the complex exchange of holdings between the two energy groups that has not aroused much notice hitherto—the foothold that BP would acquire, through its proposed 25 per cent stake in Ruhrgas, in an experimental Government-backed plant to produce methane from coal. Ruhrgas is co-operating in this field with Ruhrkohle, the

principal West German hard coal producer, and a pilot plant is expected to start up at Dorsten, not far from Essen, during the course of this year.

It was believed in Bonn that the Commission experts were alerted to the possible conflict of interest arising for BP, a leading world supplier of natural gas, if it should in a few years' time find itself partner of a process for extracting a directly competing fuel from Germany's plentiful coal reserves.

The objections raised to the deal by the West German Cartel Office and Monopolies Commission, which Count Lambsdorff must now decide whether to overturn, have been centred around the control which the two bodies fear the international oil majors would jointly acquire over the country's leading natural gas distributor.

BP and Veba offered during a hearing ten days ago in Bonn to modify shareholdings in Ruhrgas in a way that might partially meet these objections. In addition to 25 per cent of Ruhrgas, Veba wants to sell to BP 5.5m tonnes of refinery capacity, a 31 per cent stake in the Wilhelmshaven liquid methane importation project, and a distribution and sales network that includes over 1,000 filling stations. In return, Veba would get DM500m cash and a contract running until 2000 for 3m tonnes guaranteed crude from BP at market prices.

Mr. Jenkins made a statement that he had full confidence in Herr Haferkamp's performance as Commissioner responsible for external relations, and that his achievements and the value of his working relationships inside and outside the EEC were in no doubt. The statement did not seek to rebut directly charges that Herr Haferkamp had on several occasions indulged in excessively lavish spending while travelling abroad, but merely said his expenses were subject to internal Commission control procedures, the nature of which was not specified.

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Spanish air strikes disruption

BY DAVID GARDNER IN BARCELONA

SPAIN'S air traffic controllers began a work to rule over the week-end. Severe disruption of Spanish air traffic is likely if the three 24-hour strikes called by the staff of Iberia, Spain's national airlines, take place early next month to compound the industrial trouble.

The air traffic controllers, in common with other sections of labour, including engineering and car workers, are fighting the Government's wage ceiling of 11-14 per cent for this year. This ceiling was pushed through by decree after the collapse of

negotiations between the trade unions and employers. The lower figure in the wage band is meant to apply to public employees, but while national railway workers are due to settle for a 15 per cent rise, the controllers are complaining that they are not even being offered the 11 per cent increase.

Nor, they add, have promised improvements in their equipment and conditions been carried out.

Flights were reaching Barcelona on Sunday up to three hours late, with smaller delays

in Madrid. Yesterday, traffic was cut by 10-30 per cent.

The Iberia staff will be calling 24-hour strikes on February 6, 9, and 14, in a bid to force the management into accepting three conditions prior to opening wage negotiations. These conditions were designed to bring the wages of ground staff into line with flight staff.

Air travellers may be further inconvenienced by strikes called by Spain's 17,000 travel agency workers for February 1, 8 and 9, after sackings and suspensions followed token stoppages in the sector last week.

THE DEVELOPMENT OF THE STAFFJORD FIELD

Short shrift for British complaints

DR. DICKSON MABON, British Minister of State for Energy, can expect both understanding and a sharp riposte when he arrives in Oslo next week to follow up the toughly-worded letter he sent to Mr. Bjartmar Gjerde, Norway's Oil and Energy Minister, in December. It was a complaint about escalating costs of the Staffjord field development and the lack of supply contracts for British companies. The understanding will come over the costs issue; the counter-attack over the supply contracts.

Dr. Mabon will get a firm no to his suggested change of plan for the location of the second Staffjord platform to allow it to be placed in the northern part of the reservoir, allowing the third platform to be placed in the British sector. Dr. Mabon has argued that such a relocation could save up to \$1bn in total development costs for the field.

The majority interests among the oil company licensees are understood to have rejected Dr. Mabon's arguments a specially commissioned report submitted earlier this month. They found that relocation of the "B" platform now under construction at Stavanger would delay development and increase costs. Moreover, the concrete structure ordered had been designed specifically for the seabed con-

ditions of the southern site. The report was drawn up by a group of licensees including the Norwegian State oil company, Statoil, the operating company Mobil, the British National Oil Corporation (BNOC), and Conoco, which has a share in both the Norwegian and British sectors of the field. BNOC is understood to have opposed the majority conclusion but the Norwegian Government feels it has the backing to resist further pressure on the issue from Dr. Mabon.

The Staffjord field is the largest in the North Sea with estimated recoverable reserves of 490m tonnes of oil and 70bn cubic metres of gas, by Norwegian calculations. It straddles the dividing line between the Norwegian and British sectors with 58.5 per cent of the reserves estimated to lie on the Norwegian side. Statoil has a 44.4 per cent stake in the field while ENOC's share is 3.7 per cent.

Statoil, potentially the most profitable North Sea oil discovery, has become something of a test case, both for the companies and the two Governments. Statoil's latest estimate of the total costs for the Norwegian share of the field is around Nkr32bn (£3.15bn). This represents an advance of close to Nkr 4bn last year alone. Statoil calculates that the internal rate of return on the

investment after tax could be as low as 14 per cent with the "B" platform returning only 12 per cent. This compares with original, admittedly optimistic, estimates by companies of up to 45 per cent on the field as a whole.

British complaints have concentrated on the "B" platform, which had to be redesigned when the Norwegian oil directorate complained about safety features on the original project. The "B" platform will have

an average daily production capacity of 150,000 barrels for a total investment now put at between Nkr 94bn and Nkr 105bn.

The "A" platform, which has suffered its own delays and cost growth, is planned to give 300,000 barrels a day for an investment of about Nkr 8bn.

It is not only the British who have been complaining about these figures. The Norwegian Labour Government has been subjected to a hammering from the Opposition in the Storting (Parliament). Mr. Gjerde has taken the steam out of these attacks by agreeing to an independent inquiry into North Sea costs.

Nothing definite has yet been announced, but the Minister is thought on the lines of a three-man team. It would be free to employ foreign consultants, to organise its work in its own way, to examine all existing government regulations on North Sea operations, and to investigate current bid management practices of the operating companies.

The last point will be of particular interest to Dr. Mabon, who has argued that costs in the Norwegian sector could be reduced substantially if the number of companies invited to bid for supply contracts were enlarged.

He had in mind the contract for the concrete gravity base structure for the Staffjord "B" platform, which was awarded directly to Norwegian Contractors on technical and operational grounds, and for the

development, not just of individual platforms. Dr. Mabon should be prepared, too, for more aggressive arguments from the Norwegian Minister. He is likely to point out that Norwegian companies have won orders representing only 0.2 per cent of the investment in the Murchison field, which also straddles the dividing line and in which Norway has a 16-17 per cent share.

The value of contracts awarded to the Norwegians in the British sector has fallen drastically since 1974 and 1975 and Norwegian companies complain that they have been explicitly excluded from lists of bidders.

Dr. Mabon already has won a concession from the Norwegians. The lists of bidders invited to tender for the 10 remaining "packages", which will complete the equipment of the Staffjord "B" platform, have been enlarged by Mobil, the operator, to allow two British companies to bid for each contract instead of one.

The first contract—for accommodation—went to a Norwegian company, although Blohm and Voss, a German concern, put in an offer that was some Nkr 2m lower. The Norwegian Industry Ministry "asked" Mobil to accept the Norwegian tender but argued that the price difference was very narrow and

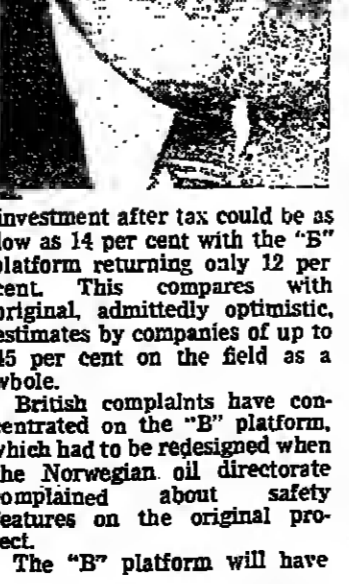
that its intervention was exceptional. The second module contract was awarded last week to another Norwegian company on a strictly commercial assessment.

The Norwegian Government's position is that it has a common interest with the British Government in taking action on North Sea cost escalation. The Norwegians are now pushing to raise production in their sector to the 90m-tonne ceiling set by the Storting.

The Government, through Statoil, also has larger stakes in its fields than the British. State has in British sector development and stands to suffer heavier reductions in tax income, as costs erode the profitability of fields.

But as the Norwegians see it, the desire to maximise income from North Sea oil and gas conflicts to some extent with both Governments' interest in promoting their domestic offshore supply industries.

Here, protectionist practices could harm chances for both industries to win contracts in third markets and the Norwegians believe British policy is more protectionist than their own.



Britain's Minister of State for Energy Dr. Dickson Mabon (left) wants the Norwegian oil minister Mr. Bjartmar Gjerde (right) to tighten control of costs in the Staffjord development; a bigger share of orders for UK suppliers; and for a change in the location of platforms. The most he is likely to get, writes William Dullforce, Nordic correspondent, is sympathy and a list of Norwegian complaints about British attitudes.



platform's steel deck, for which only three Norwegian companies. Otherwise, on the issue of more contracts for British companies, Dr. Mabon is likely to get little change from Mr. Gjerde. The Norwegians dispute the claim that only 67 per cent of the Staffjord "A" work went to British companies, putting the figure at between 10 and 15 per cent, which is regarded as keeping with the British stake in the field. They also argue that Britain must look at its share of the total field

OVERSEAS NEWS

IRAN'S OPPOSITION

Waiting for Khomeini

BY ANDREW WHITLEY IN TEHRAN

AFTER ALL the false alarms and manoeuvring in Tehran and Paris over his return, when Ayatollah Khomeini finally steps off the plane at the capital's Mehrabad airport, the authorities permitting, he will be confronted by a sea of people expressing in number any seen here in the mammoth demonstrations of recent months.

Tehran is in uproar. Emotions are running high. But the relative calm with which each twist and turn in the saga of his return has been accepted by the vast majority has been remarkable. When serious violence has taken place it has been usually initiated by the authorities and has involved relatively small groups of young people.

For days buses have been pouring in from the provinces bringing in hundreds of thousands of people wanting to show their solidarity and pay their respects to the man whose steadfast opposition to the Shah from his place of exile eventually forced the monarch's departure.

But the appearance of unity behind the 78-year-old religious leader in his scheme for a new order, an Islamic republic and a more traditional life style is deceptive. The crowds will turn out in their millions for the occasion—the high point of their new-found political freedom—but, for many, the purpose will be to greet him rather than consciously to endorse a fundamental change in the country's social and political direction.

to retain something of their previous lifestyle. In the wake of this movement have come the pro-Shah gangs of stick-wielders long feared by Iranians, especially remembering the way in which the Shah was brought back to power in 1953 after three days in forced exile. In the short term it is hard to imagine what those behind these gangs hope to gain, apart from straightforward intimidation and repression.

It would be a mistake to write off the chances of the Shah being brought back to Iran, either through a military coup whose leaders would then invite his return, or else through his biding his time until the former Opposition collapsed as a result of its own internal disputes. The senior officers of the armed forces are still solidly Royalist (though the junior ranks are steadily disintegrating) and they cooperate closely with courtiers and the many influential families who, made up the ranks around the Shah, watching how the situation develops.

Pro-monarchy feeling is still widespread, especially among more traditional households. Certain pockets of the countryside are also loyalist. But apart from the army there are no poles around which they can coalesce. The complete failure of Rastakhiz—the three-year experiment in creating a mass movement to underpin the throne—removed one possible channel.

Parliament, meanwhile, consists of the Right-wing Parliament who have been strangely quiet in recent weeks, various pro-Khomeini splinters and a rump of undecided loyalists. All were elected on a Rastakhiz ticket in 1975 and count for little now.

The emergence of the Left, with attempts to establish a broad front ranging from a small group of socialists and western-style Social Democrats through to the pro-Moscow Tudeh party, has been a phenomenon of the past month. Before the present crisis broke in full force, no one would have put the number of Left-wing sympathisers in Iran at more than 2 or 3 per cent. Activists were probably no more than 1,000, drawn mainly from the universities and the artistic community. The old Tudeh party which was such a force in 1953 is a pale shadow of its former self, largely discredited by its constituency in

Iran (if not in Moscow and Berlin).

Nevertheless, the bogey of a Communist takeover, exploiting Iran's internal divisions, is still alive in some circles here and in the West. In a rash moment, soon after coming to power, Dr. Bakhtiar himself revived the theme. But his talks of "Communist agents" slipping over the border and the supposed arrest in the Tehran bazaar of "192 armed Afghans in suspicious circumstances" (nothing further has been heard of the matter) is dismissed by most politically-aware Iranians.

Speculation of a Communist bid for power is unjustified. First there has been no hint of any separatist feeling, used as a vehicle by Moscow in the past. Indeed, most of the independent-minded Baluch tribes, are pro-Shah because his regime turned a blind eye to their cross-border smuggling in and out of Pakistan. Secondly, the Left is fractured into at least a dozen separate groups, without one dominant force around which the others could group if necessary.

Tactically the Left recognises that it has to go a long way along the Khomeini road. Indeed most of them have yet to part company with the main anti-Shah stream. Much of the pressure to organise themselves has come in response to attacks from increasingly vocal religious zealots.

During the short-lived Premiership of Mr. Jaafar Sharif-Emami last autumn, the country's doors were opened to the many thousands of self-exiled Iranians who had chosen to stay abroad during the 15 years of repression after 1953. Their return strengthened the ranks of the Left in particular, though knowledgeable sources say many of the returnees were lost in the midst of a genuine revolution.

Once back in Iran, the best known of the groups which used to fight the Shah from abroad, the Confederation of Iranian Students, announced that it intended to organise the 150,000 students in universities here as well. Lately the other party in exile, the Tudeh, has also moved energetically to make up lost ground. It decided about a week ago to take up arms, apparently because it feared a coup, though it has yet to show its hand.

Apart from the Tudeh, the only other clandestine groups committed to armed struggle are the Cherikhye Fedayin-e-Khalq, or people's guerrillas, and some



Iran's Prime Minister, Dr. Shahpour Bakhtiar, tells a Press conference yesterday that he will not resign as demanded by the exiled opposition leader Ayatollah Khomeini.

tiny splinter groups on the extreme right. Altogether there are 10 Marxist-Leninist factions. The most important is a breakaway from the Islamic guerrillas of the early 1970s, the Mujaheddin. Now known under the impossibly long title of the Sazmaney Peykar, da Rahe Asadieh Tabaqe Kargar, translated as the Organisation Struggling for the Freedom of the Working Class, their red banners have been much in evidence during recent mass demonstrations.

Twelve months ago simply he accused of being a member of the Mujaheddin was enough to earn a life jail sentence from a secret military court, as happened to 15-year-old Nasrin Rezaie, the youngest girl in Iran's most celebrated guerrilla family. In contrast, nowadays the Mujaheddin and the Sazmaney Peykar are actively, and fairly openly, recruiting.

In the open political forum nationalist left-wing views are represented by Mr. Mahmud Etemadzadeh's Democratic Unity Party and sections of Mr. Haj Seyyed Javadi's intellectuals grouping known as "Jombesh." In the middle-ground of what to be the anti-Shah opposition are the human rights dissidents, professional men and women who can genuinely lay claim to having been the spark of the movement, through their open letters of protest about the lack of rule of law and the treatment of political prisoners in the

early summer of 1977. Informal ties exist between them and the National Front—or "Union of National Front Forces" as it is more correctly known—which revived itself in November 1977.

The National Front enjoys a position of power on one definition because it has managed to articulate politically the anti-Shah feelings of a wide cross-section of people, especially the young. But with the rise of the mosque-led, largely working class, religious tide the Front's own attraction has diminished to a narrow middle-class band. And the Front these days is an amorphous body which has very little grassroots organisation, living off its moral power and historical record from the days of Dr. Mossadegh in the early 1950s.

In the Shi'ite branch of Islam there is no formal hierarchy which would give a universally accepted command or organisational structure to a political movement. Different religious leaders of note, the Ayatollahs, have their separate followings, usually regionally based. Currently the only figure approaching Khomeini in terms of influence that can be translated into political power is Kazem Sharif-Madhari in Qom. In theory he would certainly have settled for a genuinely constitutional monarchy under the present Shah, but in practice he was unable to go against the tide.

Reserve Bank role upsets S. African rand dealers

BY QUENTIN PEEL IN JOHANNESBURG

FOREIGN EXCHANGE dealers in South Africa reopened for business yesterday for the first time since the publication of the De Kock report recommending a managed float of the rand, but without any change in the official rand-dollar exchange rate.

For the first time, however, banks were allowed to fix their own buying and selling rates for transactions with the public. The result was a considerable narrowing of the spread as dealers competed for scarce dollars, with the rand softening fractionally against the dollar. By the end of a hectic day, after a three-day closure last week, the major dealers were quoting a spread of dollars 1.1485 to 1.1495, compared with the South African Reserve Bank rate of 1.1486 to sellers and 1.1515 to buyers.

Dealers blamed the narrowing of the spread on the one-sided market, with foreign currency permanently in short supply because all receipts for gold, bullion, diamonds and public sector borrowing are still channelled directly through the Reserve Bank.

The dealers are generally unhappy about the extreme caution of the Reserve Bank in implementing the recommendations of the De Kock Commission. The commission proposed that the bank should no longer prescribe buying and selling rates, but should intervene in the market to keep the exchange rate within limits. The report, which envisaged a dual exchange rates system of a commercial rand floating subject to official intervention, and a financial rand, available only for non-resident investments, freely

floating, also proposed that the proceeds of Kruggerand and diamond sales, and of public corporation borrowing, should be channelled through the authorised dealers. Neither of those recommendations has yet been implemented. Nor has a proposal that the dealers be allowed to make a charge for foreign exchange transactions with the general public.

"It is a very ugly market," one dealer said yesterday. "The volume has not increased significantly, but the spread is very tight." He believed that preferential sellers of foreign currency to the Reserve Bank, such as De Beers from the proceeds of its diamond sales, would put pressure to be allowed to seek a better price in the open market.

Accord near on Syria-Iraq ties

BY ROGER MATTHEWS IN DAMASCUS

THE SUMMIT meeting between the leaderships of Syria and Iraq is expected to end today with the announcement of "major political decisions" and a series of agreements covering bilateral relations.

President Hafez al-Assad and the leader of the Iraqi delegation, Mr. Saddam Hussein, vice-chairman of the revolutionary Command Council, held a private meeting yesterday to discuss essentially political issues while ministerial talks continued on a number of technical problems.

The two countries, which until

four months ago were among the most implacable enemies in the Arab world, have stated that their eventual goal is full union. Mr. Saddam Hussein said before leaving Baghdad that he would "accept nothing less than a comprehensive merger," but senior Syrian officials stress that their policy is "to hasten slowly" towards the eventual target.

Since the visit to Baghdad in October by President Assad, the signing of the "Charter for pan-Arab action" and the setting up of a joint Iraqi-Syrian higher political committee, the steps towards full reconciliation have been limited.

But spurred by the Camp David accords between Egypt and Israel and the belief in Damascus and Baghdad that President Sadat will sign a separate peace treaty, there is a clear desire here to demonstrate more tangible progress towards holstering the eastern front and the effectiveness of Arab unity.

However, whatever is announced today it is still going to take some considerable time before the rift between the two opposing factions of the ruling Ba'ath parties, which is fundamental to the ten-year-old bitterness between the two countries, can be resolved.

Algiers meeting

ALGIERS—The official Algerian newspaper El-Moudjahid declared yesterday that the nation's future President, whoever he is, will "pursue the anti-imperialist and anti-reactionary policies" of the late President Houari Boumedienne. But El-Moudjahid's front-page editorial also gave a hint that a minority in the Algerian leadership was not completely happy with Col. Benjedid Chadli, the man widely tipped as the next President. Agencies

Zambia crop threatened

BY MICHAEL HOLMAN IN LUSAKA

ZAMBIA WILL run out of home-grown maize by the end of the year unless rainfall improves within the next two to three weeks, according to Alexander Chikwanda, the agriculture minister.

As low rainfall persists in much of southern Africa it is becoming clear that Zambia faces its most serious food crisis since 1971 when the country was forced to import 1.5m bags of maize.

The minister said that the 5.6m bags harvested from the 1977-78 crop will provide the country's staple diet until July. Thereafter it will be consuming the current crop, which farmers fear could be 2.5m bags or lower.

With monthly consumption at half a million bags the country could be without home-grown maize by December, facing a four to five month gap before the next crop is harvested.

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AMERICAN NEWS

Support for Canadian banking restrictions

CANADA WOULD invite risk and uncertainty in its financial system by opening the door too widely to foreign banks according to Mr. Gerald Bouey, Governor of the Bank of Canada.

Mr. Bouey told the Senate Banking Committee that he welcomed increased competition from foreign banks as long as their growth was carefully limited by law.

Argentinian orders

Argentina will be placing more than \$4bn in orders with foreign concerns over the next three years as part of a \$20bn public investment programme.

Pope flies south

Hundreds of thousands of Indians from southern Mexico and northern Guatemala crowded around the city of Oaxaca yesterday to catch a glimpse of the Pope.

\$520m for Ecuador

Ecuador has obtained a \$520m 10-year loan from a syndicate of banks led by Bank of America International and the Citicorp international group under agreements signed in London yesterday.



U.S. Vice President Walter Mondale welcomes Chinese Vice President Deng Xiaoping after he arrived at Andrews air force base accompanied by his wife Mme Zhao Lin.

AS DENG XIAOPING VISITS WASHINGTON

Chinese frozen assets pact hope

WASHINGTON—U.S. officials say they expect fairly rapid agreement on terms for resolving the frozen assets issue which is blocking full resumption of U.S. trade with China.

The issue is expected to be touched on during the visit of Deng Xiaoping (Ten Hsiaping), Chinese Vice-Premier, to the U.S., but officials say substantive progress will have to wait until Mr. Michael Blumenthal, the Treasury Secretary, visits Peking next month.

Mr. Blumenthal is due to begin his Peking trip on February 23, and has called the assets question "almost a precondition to all other issues of trade."

for normal banking and financial dealings. At issue is \$124m in claims by Boise-Cascade, International Telephone and Telegraph, Exxon and other businesses over property seized by the Chinese Government.

Officials say there is precedent for paying the claims of individuals and charities in full or at a rate, of say 60 cents to the dollar, and for paying corporations at a lower rate.

The Treasury proposed last November that Chinese, Cuban and other frozen assets be held in interest-bearing bank accounts, a move which would make more money available for settling outstanding claims against those nations.

Other claims include \$27m shared between Exxon and Mobil Oil, \$15m for Caltex, a joint venture of Texaco and Standard Oil of California, \$11m for ITT, \$4.5m for General Electric and \$1.6m for Citibank.

Congress begins hearings on wage insurance plan

BY DAVID BUCHAN IN WASHINGTON

MR MICHAEL BLUMENTHAL, the U.S. Treasury Secretary, yesterday asked Congress to play its part in "this critical point in the anti-inflation fight" by approving the Administration's controversial "real wage insurance" plan.

He was testifying before the House Ways and Means Committee, which began hearings on the plan—the only major tax proposal in the \$532bn 1979-80 budget—which would give workers settling within the President's 7 per cent pay guideline a tax rebate if inflation exceeds 7 per cent this year.

The Administration estimates that, with 47m workers out of the 96m workforce, complying with the pay guideline, and with an estimated inflation rate this year of 7.5 per cent, the cost of the plan would be \$2.5bn.

Mr. Carter's tax proposals. Last year, it scrapped the President's tax plan and wrote a Bill of its own. In general, Republicans have opposed real wage insurance as too costly and complex, while many Democrats have their doubts about its efficacy.

The Treasury Secretary urged Congress not to reject the plan out of hand simply because it was a novel way of tackling inflation. Approval by Congress "would be a vital help in sustaining the momentum of the anti-inflation effort," which he said had made notable gains in the past three months.

In addition to recent improvement in the inflation figures, the dollar had rallied by 9.3 per cent since November 1 against all major currencies taken together, and the stock market had firmed and gained substantially.

There was, Mr. Blumenthal said, a braking system built into the cost of the real wage insurance scheme.

If few workers obeyed the pay guideline, few would be eligible for the tax rebates—set at a maximum of \$600 each—and the cost to the Treasury would be low. If compliance by workers with the 7 per cent guideline was widespread, inflation would be reduced, and that in itself would cut the cost of the scheme.

The Treasury Secretary stressed the direct economic effects of the wage insurance plan, but most of its supporters consider its main effect would be psychological, assuring workers they will not lose out entirely if their unions do not try to break the guideline.

AFL-CIO affiliates merge

BY JOHN WYLES IN NEW YORK

THE NEW 1.2m-strong International Union of United Food and Commercial Workers will become the biggest affiliate of the American Federation of Labour-Congress of Industrial Organizations (AFL-CIO) in a few months.

The new union will be formed by the merger announced at the weekend of the International Union of Retail Clerks and the Amalgamated Meat Cutters and Butcher Workmen.

That the combined membership is enough to take first place in the AFL-CIO from the Federation of State County and Municipal Employees underlines the slow progress the U.S. labour movement is making towards developing general unionism.

The U.S.'s largest union is the International Brotherhood of Teamsters, which has about 2m members. It was expelled from the AFL-CIO in 1957. It is roughly equal in size to Britain's Transport and General Workers' Union, whose penetration of a range of industries is, however, much more significant than is that of its U.S. equivalent.

organising and economic strength. However, there have been only 30 mergers among AFL-CIO affiliates since 1955, and the last important combination, between clothing and textile workers in 1976, resulted in a group with a modest membership of 300,000.

The retail clerks and the meat cutters will have a greater combined presence in the food and supermarket industries as a result of the merger, which should be confirmed in June. But the union will also represent employees in manufacturing, health care, commerce, and financial institutions, among others.

Some 31 of the 169 unions affiliated to the AFL-CIO have less than 20,000 members, and the federation has consistently encouraged mergers and amalgamations to improve efficiency.

Mideast failure 'nobody's fault'

BY OUR WASHINGTON CORRESPONDENT

HIGH LEVEL tripartite talks between Egypt and Israel, with the U.S. present, will be needed to break the logjam in the Middle East negotiations.

U.S. officials have concluded after the failure of the mission by Mr. Alfred Atherton, the special envoy.

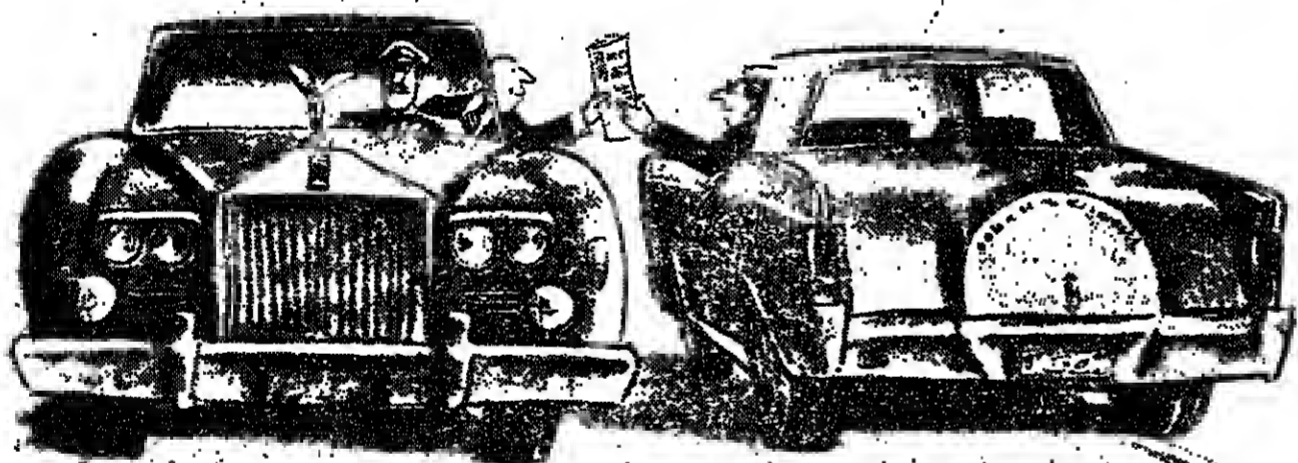
Mr. Atherton, who returned here on Sunday, spent 12 days in Cairo and Jerusalem trying to resolve some of the less contentious points in dispute.

While "useful clarifications" were obtained about both sides' positions concerning future reviews of the peace treaty's security provisions and the relation of the proposed treaty to Egypt's obligations to its Arab neighbours, U.S. officials said it was not clear whether the talks were a success or a failure.

A decision on how next to advance the U.S. Secretary of State, meeting Egyptian and Israeli Ministers, or possibly another Camp David summit meeting, by the heads of Government, is unlikely to be made this week.

U.S. officials are not blaming either side for Mr. Atherton's failure to make significant progress. They point out that it was a mistake by the part of the U.S. to believe the stalled peace talks could be approached as anything but an overall package.

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Computer shipments 'to rise 15%'

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE COMPUTER industry is likely to remain the most expansive sector of the manufacturing economy in the U.S. both this year and over the next five years, according to a major U.S. Government survey.

The Commerce Department's 1979 U.S. industrial outlook, released here yesterday, projects growth rates for 200 manufacturing and service industries. For this year, it forecasts that about a quarter of the 185 manufacturing industries will achieve at least a 5 per cent growth in shipments.

The most vigorous single sector, the report predicts, will be metal-cutting machine tools, with shipments due to rise by 20 per cent this year and by 8.8 per cent at a compound annual rate over the next five years.

However, the computer industry, whose shipments last year were worth more than \$15bn, or over seven times as much as metal-cutting machine tools, can expect 15 per cent growth this year and a 14 per cent annual average over the five-year period.

Most of the projected leaders for this year are in the medium to high technology field, though all are much smaller industries than computers.

Several of the major industries can also look forward to healthy expansion, the report suggests, with aerospace up 9.9 per cent this year, a figure matched by telephone and telegraph equipment, electronic components (9.2 per cent), photographic equipment and supplies (9.3 per cent) and plastic materials and resins (9 per cent).

Declines, however, can be expected this year for cars (down 1.9 per cent), farm machinery and equipment (down 2.7 per cent), cement (down 3.8 per cent), and sawmills (down 2.4 per cent), while the large meat packing industry can anticipate no growth.

POLITICS IN BRAZIL

A break with the past

BY DIANA SMITH IN RIO DE JANEIRO

BRAZIL'S President-elect has said 1979 will be the "year of agriculture." It will also be the year of oil, with many of the country's offshore fields due to go into production, and a year of scrutiny for large-scale projects conceived in an era of cheap oil and grandiose national aspirations.

Above all, however, many Brazilians hope 1979 will be crucial in the move away from authoritarianism. President Ernesto Geisel, whose term began in 1974 and runs out on March 15, began his reform programme in mid-1978, having eluded the wings of ultra-Right military who favoured greater repression.

By dint of the reforms which took effect from last January 1, Draconian institutional Acts have been abolished and their essence watered down into a potentially-repressive National Security Act (which, however, grants Congress and the courts reasonable checks and balances). Banishment and the death penalty have been repealed, as has perpetual imprisonment or loss of rights for political crimes.

Even before 1978 ended, the changes in Brazil were noticeable. Half way through his tenure, President Geisel abolished authoritarian decision-making linger, but the birth of what President Geisel heralded as the "open debate of opinions" has been relatively painless.

Even the stifling censorship of television, Brazil's most popular medium, relaxed as the year waned. To the amazement of viewers, acid political com-

ment and irreverent jokes crept into programmes. With maturity and cool-headedness the 300,000-strong metalworkers' union struck for better wages and working conditions half-way through 1978. Equally coolly, management did not clamour for the troops, but sat down with the unions and thrashed out solutions.

Pressures from the far Right for strike-breaking and from the far Left to join the strikers' badwagon were ignored. Trade union rejection of political unioning was so curt that it cast doubts on the ability of old-style activists—accustomed to dictatorial political trends from the tip of the pyramid down-

ward—to resuscitate the defunct Brazilian Labour Party, or attract labour support for a new group.

On the political front, the complacently pro-government Arena party won the November 15 Congressional elections by less than 1 percentage point of the popular vote, and a 30-seat margin (through gerrymandered constituencies).

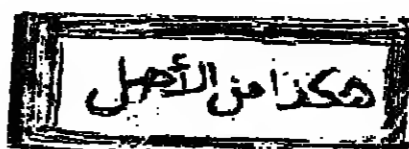
Arena was given no say in the preparation of the 1978-79 reforms: it was handed a fait accompli and instructed to ratify it in Congress.

Such an approach has typified the Presidency of General Geisel, with Congress expected to consent rather than advise. With the advent of President Geisel's successor, General Joao Baptista Figueredo, personal rule appears to be drawing to a close.

General Figueredo, formerly head of the intelligence service, is as gregarious and self-admittedly fallible as General Geisel was remote and didactic. Having amazed onlookers with off-the-cuff remarks ("I prefer the smell of horses to that of the people," "I'll break anyone's—not for democracy"), General Figueredo endeared himself by public "walkabouts" by vowing to help the "absolutely poor" (who not long ago were literally unmentionables); by offering the "band of conciliation"; and by promising to introduce elected politicians into his Cabinet—a departure from the closed circuit of military officers and technocrats that has made Brazil's decisions for the past 15 years.



General Joao Baptista Figueredo



Japanese trade with China increases to record level

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN'S EXPORTS to China grew by 57 per cent to a record level of \$3.05bn (£1.5bn) in 1978, the Japan Association for the Promotion of International Trade announced.

Completed with a 31 per cent increase in China's exports to Japan (to \$2.05bn) these figures mean that two-way trade between Japan and China last year easily exceeded the previous peak level of \$3.8bn (recorded in 1975).

The growth of two-way trade appears less impressive when stated in yen terms. On this basis Japan increased its sales to China by 13.4 per cent during the year and bought 12.4 per cent more Chinese goods in return.

Even in yen terms, however, Japan-China trade figures compare well with overall Japanese trade figures for 1978 which show a yen denominated decline in both exports and imports. The price exhibit amongst Japanese exports to China was a threefold increase in exports of industrial machinery (including complete plants). This reflects the coming into force last February of the long-term trade agreement under which China undertook to buy \$10bn of Japanese plant and construction materials over an eight-year period in return for increased Japanese purchases of Chinese coal and oil.

Plant contracts signed with China during the year numbered 24, including no fewer than five for large-sized ethylene plants (which will contribute to the raising of China's production capacity to an estimated 2.2m tons per year).

Shipments of machinery to China were valued at \$1.23bn, a 10 per cent increase on 1977 levels (when Japan shipped 4.5m tons of steel valued at \$1,006bn in the full year).

China's steel imports from a number of European countries are understood to have grown rapidly last year, mainly because of price increases requested by Japanese exporters (reflecting the higher value of the yen).

A similar situation seems to have arisen in the chemical fertiliser industry where a sharp decline in the quantity of Japanese exports in the early part of 1978 was accompanied by price increases and by increased Chinese orders from Europe.

China's exports to Japan in 1978 included 8.6m kilolitres of crude oil (up from 7.67 kilolitres in 1977). China's oil exports to Japan have begun to rise as a result of the long-term trade agreement which commits Japan to buying 5m tons of crude by 1982.

Some \$20bn worth of machinery shipments was attributed to the start of work on the Shanghai 6m ton steel plant.

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Saudi assurance for U.S. on oil output

BY JAMES BUCHAN IN JEDDAH

SAUDI ARABIA will maintain oil production at the present levels of between 10m and 10.5m barrels a day at least for the time being, Saudi officials told the United States Commerce Secretary, Mrs. Juanita Kreps, in Riyadh over the weekend.

Speaking to the Jeddah newspaper Arab News, Mrs. Kreps said that the officials had assured her that present levels—well over Saudi Arabia's annual average limit of 8.5m barrels a day—would be maintained "for some time."

On Sunday evening Mrs. Kreps delivered a message from President Carter to Crown Prince Fahd in Jeddah, referring to "the increase in production Saudi Arabia is taking on in the face of the complete shutdown in exports from Iran. Earlier Mrs. Kreps flew over the oilfields and received a briefing on production from officials of Aramco, which lifts all but a fraction of Saudi crude."

The increase in Saudi output, which is making good about half the loss in Iranian crude, is crucial to Western consumers if exports from Iran are not resumed.

As this appears unlikely for the present—and for technical reasons any return to the pre-strike levels of over 5m b/d will take some time—higher Saudi output may provide the major buffer for Western consumers after the last tanker shipments from Iran arrive and national crude stocks are drawn down to their acceptable limits.

However, the Saudi production policy is understood to be considerably more flexible than the 8.5m b/d limit would suggest—especially since an attempt to keep within the annual average would entail large cut-backs later in the year and after one or two quarterly price increases. Rumours here that Saudi Arabia might introduce a quarterly average to cope with the Iranian shortage have not been confirmed.

While Mrs. Kreps may have had little difficulty in encouraging Saudi Arabia to keep production levels up, she appears to have had less success in attempts to ease problems for American businessmen arising from tough Saudi immigration and contracting policy.

She reported no progress in attempting to persuade Saudi officials to relax the 10 per cent performance bond contractors must post, which is particularly hard on U.S. companies which lack access to state contract insurance facilities.

Mrs. Kreps pointed out to the Finance Minister the advantages of the U.S. surety bonding system while her Government would look into steps to "ease the financial burden" of the bank guarantees required for the bonds.

French to press on with Iran reactors

By David White in Paris

A FRENCH consortium is going ahead with work already started on two Iranian nuclear reactors in spite of a statement by Dr. Shapour Bakhtiar, Iran's Prime Minister, indicating that the contract would be cancelled.

Creusot-Loire, parent company of France's sole supplier of nuclear reactors, Framatome, said yesterday that civil engineering work was continuing on the Kahn River site, in compliance with a contract signed in late 1977 and worth a total of over \$30m, including fuel supplies. It has received no official notice of cancellation.

Such cancellation would be a heavy blow to the company, since it represents France's only firm export contract for reactors. The prospect of selling four bigger 1,300 MW reactors to the Iranians in a part-barter deal in exchange for oil has had to be shelved more or less indefinitely because of the Iranian crisis.

Dr. Bakhtiar said in an interview at the weekend that Iran was cancelling its nuclear contracts, barring those for two reactors being built by West Germany, work on which is already well advanced.

Portugal's exports show rise of 20%

BY JIMMY BURNS IN LISBON

PORTUGAL ENDED 1978 with a slightly improved trade position, thanks to an exceptionally strong export performance. According to unpublished figures prepared by the Bank of Portugal, imports last year increased by 6 per cent to \$4.8bn while exports increased by 20 per cent to \$2.4bn. There was a 0.4 per cent drop in the overall trade deficit.

The deficit was offset by a substantial increase in invisible earnings, which included a 22 per cent increase to \$1.5bn in immigrant remittances, as well as a 15 per cent increase in tourist receipts.

Oil and foodstuffs continued to be the main items affecting Portugal's adverse terms of trade. More striking are figures for the current account deficit which has been reduced to \$920m, a considerable improvement on 1977 when the deficit was \$1.5bn. The reduction in the current account is well in line with the deficit target of \$1bn originally set by the International Monetary Fund last year.

Although further figures are yet to be released, the Bank of Portugal yesterday confirmed that the improvement to the current account had caused a "substantial increase" in Portugal's foreign reserves.

Swiss narrow the gap

BY JOHN WICKS IN ZURICH

THE SWISS trade gap narrowed last year from SwFr 867.6m to SwFr 520.4m. Apart from the exceptional conditions prevailing in 1976, when Switzerland booked a trade surplus of SwFr 173.5m, the 1978 result is the smallest deficit in the foreign trade balance since 1954.

The small gap is largely the result of a sharp drop in import prices due to the appreciation of the Swiss franc. This meant that imports declined over 7.3 per cent to SwFr 43.02bn to SwFr 42.3bn and exports fell rapidly from SwFr 42.15bn to SwFr 41.78bn. In real terms, imports actually expanded by 0.8 per cent and exports by some 4.9 per cent.

Despite the rise in the Swiss franc exchange rate, Switzerland was able to increase its exports to the UK by as much as 19.5 per cent last year to SwFr 2.57bn. At the same time, British deliveries to the Swiss market improved by only 7.3 per cent to SwFr 3.37bn.

S. American orders worth £50m won by Ericsson

BY JOHN LLOYD

ORDERS TOTALLING more than £50m have been announced by L. M. Ericsson, the Swedish telecommunications manufacturer, for a number of customers in Latin America.

The orders include contracts for crossbar exchanges from the Venezuelan telecommunications authority, CANTV, worth £25m.

In Colombia, three customers have placed orders worth a total of £24m. The major order is for a number of AXE computer-controlled exchanges

for the administrations in Bogota and Cali.

In addition, Panama has placed firm orders for three further AXE computer-controlled exchanges, while "substantial" orders have also been received for exchanges from Ecuador and Bolivia.

Ericsson says the orders "confirmed the company's leading position in this market area." However, it is an area where it finds itself under increasing pressure from International Telephone and Telegraph (ITT).

Swedish pulp output up

BY WILLIAM DUFFELL IN STOCKHOLM

SWEDISH production of market pulp increased by about 14 per cent to 3.5m tonnes last year while deliveries climbed by 18 per cent to 4.4m tonnes, a producer stocks were run down, according to the preliminary estimates of the Pulp and Paper Association. However, deliveries in 1978 were still more than 500,000 tonnes lower than those of the peak year, 1974.

The increase came almost entirely in exports, although Swedish pulp manufacturers still have a lower share of the European market than they had during the first half of the 1970s.

The reduction of stocks has been aided by a rise in business with Japan and Swedish mills are looking for more permanent links with countries outside Europe.

A greater geographical spread for pulp deliveries has become an urgent matter for Swedish mills because of the increased weight of Canadian suppliers on the European market, the association notes.

Shipments of Swedish paper and paperboard products abroad rose by 18 per cent to 4.5m tonnes during 1978. Production totalled 5.7m tonnes, exceeding the 1974 level.

Buy-back deals criticised

BY SUE CAMERON

EUROPEAN chemical trades unions have endorsed a British call for the Common Market Commission to investigate compensation trading deals between Western companies and Communist countries.

The proposal came from the UK General and Municipal Workers' Union and was backed by the Trade Union Committee for the Chemical Industry in the European Economic Community at a meeting in Brussels last week.

The committee agreed to undertake studies of compensation trading deals—under which Western companies provide the technology to build new plants in Eastern Europe and are paid with product—in all Common Market countries.

Mr. Davy Warburton, national chemicals officer of the GMWU, told the committee that deals of this type could pose a real threat to jobs in Western Europe. He added that the threat "should not be exaggerated" but said problems did exist and should be identified—particularly in the plastics sector.

SINGAPORE PETROCHEMICALS

£500m project now likely to go ahead

BY PHILIP SOWRING IN SINGAPORE

AFTER FIVE years of delays, Singapore's planned \$1bn (£500m) integrated petrochemical complex now seems almost certain to go ahead in the near future.

Mr. Norishige Hasegawa, head chairman of Sumitomo Chemical Company which is heading the project consortium, said that the plant should now definitely come on stream in 1982.

He added that Sumitomo had now lined up partners to invest in the downstream facilities which would use the plant's eventual annual output of 300,000 tons of ethylene and 165,000 tons of propylene a year.

Mr. Hasegawa attributed the decision to give the green light to the project partly to the situation in Iran. Delays to Iranian projects cause by political disturbances, together with the high cost of construction in Iran, now indicated that the Singapore plant would have a sufficient market from 1982.

Though it would not export to Japan, the Singapore facility would fulfil demand in Asian,

Australian and perhaps the China market. At the present these are largely being supplied from Japan, but Japan would not have sufficient domestic capacity to fulfil this demand from 1982.

Though a large part of the equipment for the plant will be imported, construction of it will bring a boost to the Singapore economy at a time when work on the new \$1bn Changi airport here is winding down.

Ultimately the plant will generate only a fairly small amount of employment in Singapore. But it has become a symbol of continuing investor faith in Singapore and in its petrochemical industry in the face of the efforts of oil producing nations, and heavy petrochemical users, to locate plants either near source of supply or markets.

The Singapore Government, through the Petrochemical Corporation of Singapore has a 50 per cent stake in the company which will own the naphtha cracker and upstream facilities.

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upholstered and contoured to the shape of your body. They're also covered in a luxurious new cloth fabric that feels as soft as wool. This same fabric has been lavishly used throughout to line the doors, pillars and roof. Behind, there's 18 cubic feet of boot space to comfortably take care of your luggage.

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April meeting will decide scope of Belvoir inquiry

BY JOHN LLOYD

A PUBLIC inquiry is to be held on the National Coal Board's largest project for the future—the development of the Vale of Belvoir coalfield in Leicestershire.

The inquiry, announced last week by Mr. Peter Shore, the Environment Secretary, will be required to evaluate the need for the coal which the three mines proposed for the Vale would produce.

It will thus call into question, for the first time, the expansion plans agreed between Coal Board, Government and mining unions and now running at an annual investment rate of £500m.

The inquiry, which will open in October, will be preceded by a preliminary meeting in April, at which requests to expand the scope of the inquiry will be considered.

Both the preliminary meeting and the inquiry are likely to be held in the Vale.

The Coal Board first announced that it had proved at least 500m tonnes of recoverable reserves of coal beneath 90 square miles in north-east Leicestershire, in July 1976.

It has since applied for permission to sink three mines at the villages of Hose, Asfordby and Salby.

Opposition to the coal board's plans has been both highly vocal and well organised, much of it based on residents' groups within the Vale itself.

Mr. Gerald Manners, a reader in Geography at University College London, has worked closely with these groups and has argued strongly that the coal board's national strategy is based on over-optimistic assumptions on both production and demand.

It is certain that this argument, which is much more worrying to the coal board than localised, environmental issues, will be extensively deployed at the inquiry. It will be the first public test of its plans to increase output of coal from around 120m tonnes a year now

to 170m tonnes annually by the end of the century, and comes at a time when its markets are weak and its losses over the next two years are forecast to be more than £400m.

The chairman of the inquiry will be Mr. Michael Mann, QC, who has had wide experience of mineral planning inquiries, assisted by Mr. C. F. Allen, a former Environment Department inspector.

Besides the need for coal, the inquiry will also consider the effect of the developments on the county's structure plans, on the environment and on employment in the area.

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Building society chief speaks of interest fear

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

RISE IN INTEREST rates throughout the economy could only increase pressure on building societies to maintain their competitive edge over other savings institutions.

Sir Campbell Adamson, chairman of the Abbey National Building Society, said yesterday.

Sir Campbell, who emphasised that he was not predicting any immediate increase in the mortgage rate, said that societies would contemplate higher rates with "obvious reluctance" but that they nevertheless had to keep a close watch on inflow of funds, which was insufficient to meet demand.

He was presenting the Society's 1978 results in London and said that there was "every prospect" of a further hardening of interest rates generally before any downward trend took place.

The societies, Sir Campbell said, would be wary of increasing the near-record rates further, especially so soon after the November rise to 11 1/2 per cent for mortgages, but the estimated January net receipts of about £300m for the movement was not enough to meet planned lending.

The societies clearly have a fairly stark choice confronting them within the next two or three months.

Receipts in coming weeks are unlikely to reach even January's disappointing level, since this week's attractive new issue of National Savings Certificates will impair inflow, and the societies' liquidity levels seem certain to fall further.

With average liquidity down to about 17 per cent of assets, societies can be expected to resist any temptation to reduce

that figure by more than another 1 per cent, widely regarded as the base point for liquid funds.

When that position is reached, the societies will have to contemplate a big reduction in mortgage lending (in some cases already happening) planned at £700m a month in the first quarter of 1979.

The alternative would be a further increase in interest rates and the pressure for such action would be raised if another substantial increase in Minimum Lending Rate were announced within the next week or two.

Much might depend on the attitude of the Government, which might veto higher building-society rates but which would find it difficult to justify such a policy if interest rates throughout the economy rose sharply.

Most societies still hope that conditions will improve by the middle of the year and that, meanwhile, sufficient funds will come in to stave off any big crisis.

Last year, the assets of the Abbey National rose by 15 1/2 per cent to £63bn, compared with a 2 1/2 per cent growth rate in the previous 12 months. The society made nearly 126,000 new loans, accounting for £1,420m, and recorded a £35m surplus after tax. That brought reserves to £235m, or 3.76 per cent of total assets.

The Leicester Building Society lent £264m to 35,500 borrowers last year. Assets rose to £125bn and almost 165,000 new accounts were opened. Reserves at the end of the year stood at £45.2m, or 3.6 per cent of total assets.

Mr. Kavanagh, who accused the council of causing the ratepayers a loss of more than £71,000, asked for the members of the council to be surcharged.

Warehouses The contract involved large disused warehouses in Albion Dock, part of Surrey Docks, the sites of which are being filled in. Mr. Kavanagh was not invited to tender for the contract but made the council an offer to dismantle the sheds.

The council wanted them demolished quickly and after the contract was awarded to a demolition company. In November, 1977, Mr. Kavanagh complained to the local government ombudsman.

The ombudsman's report, published last September, found that Southwark should have invited Integrated Reclamation and Dredging to tender, but said it was not part of the ombudsman's duties to judge the effect of council actions on the public purse or welfare.

Mr. Kavanagh then took the unusual step of challenging the council's accounts.

Road plan Mr. Sam Evans, Southwark council's chief executive officer, said in evidence yesterday that while Mr. Kavanagh's offer was sensible, it was refused because of the need to clear the site quickly. The authority wanted to build a road through it and had been offered a 75 per cent Government grant towards the cost if the scheme went ahead before March this year.

"We therefore took the view that we should demolish the sheds, not dismantle them," he said.

Mr. Kavanagh had not been asked to tender for the demolition work as he was not a member of the National Federation of Demolition Contractors or on the Demolition and Dismantling Industries' Register.

Until the district auditor gives his ruling in the case, the council cannot pass the borough's annual accounts.

Contract for new anti-tank weapon

By Michael Donne, Defence Correspondent

HUNTING Engineering has been awarded a contract by the Ministry of Defence to develop a new light anti-tank weapon for use by the Army in the early 1980s.

The cost of the programme is not disclosed, but is not likely to be less than several million pounds, and is thought likely to have considerable export prospects.

Discarded Designed specifically for use against the new generation of tanks likely to be employed in the 1980s and beyond, the new weapon, known as present as LAW (Light Anti-Tank Weapon), is intended to be a simple to use, cheap to produce, "throw-away" weapon — the launcher being discarded after firing.

It is the result of a long period of research by the Royal Armament Research and Development Establishment, and is considered a major improvement on other light anti-tank weapons, including the American M-72.

Interest Associated with Hunting Engineering in the programme will be Rank Optics, and various Ordnance Factories and defence research and development establishments.

Widespread interest in the new weapon has been shown by many NATO armies, to whom it has already been demonstrated in prototype form, and some of them are expected to adopt it as their next-generation anti-tank weapon.

Navy order for ships worth £60m

By Ian Harvey, Shipping Correspondent

THE ROYAL NAVY yesterday placed orders worth £60m for three anti-mine ships with British Shipbuilders.

The vessels will be made of glass-reinforced plastic, which is rapidly becoming the standard construction material for vessels requiring anti-magnetic properties.

Construction Yarrow (Shipbuilders) of Glasgow will build two of the craft at its recently completed £7.5m twin-berth construction hall. The third will be built on the south coast by Vosper Thornycroft, which has built two similar vessels.

Series's orders are part of a series in which the plastic Hunt-class vessels will replace outdated wooden-hulled ships in the Royal Navy's fleet of 35 anti-mine vessels.

Companies were more optimistic about their own performances. A total of 641, or 56.1 per cent, expected an improvement, while only 100, or 8.7 per cent, foresaw a decline.

A total of 493 companies (43.2 per cent) said that their direct level of investment would rise this year; 457 (40.1 per cent) that it would remain the same; and 194 (17 per cent) that it would fall.

their industrial sector to improve in the current year, while 139, or 12.2 per cent, expected a decline. The most optimistic sectors were pulp and paper, chemicals and plastics, and pharmaceuticals. The gloomiest were textiles and shipbuilding.

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Organics industry trade deficit drops faster than expected

BY SUE CAMERON, CHEMICALS CORRESPONDENT

THE UK'S specialised organics industry is expected to achieve an impressive export trade balance several years sooner than originally forecast.

A report published today by the specialised organics sector working party — set up as part of the Government's industrial strategy — shows that the industry's trading deficit has been falling steadily and dramatically since 1976.

Provisional figures for 1978 suggest the deficit for last year will be £25m — £3m less than in 1977 and £48m down on the 1976 figure of £73m.

"The UK's trade deficit may increase again when reflation accelerates," the reports says. "But even after allowing for this, balanced trade now seems a realistic and attainable objective in the early rather than mid 1980s."

It should be noted, that the trade deficit was adversely affected by the destruction of the caprolactam plant at Flixborough in 1974, necessitating imports until the plant is rebuilt. As the new plant is not yet on stream, the underlying improvement in the trade deficit gives a relatively encouraging picture.

The report also shows that UK exports of specialised organics — intermediate chemicals used chiefly in the

production of pharmaceuticals, agrochemicals, dyestuffs and organic pigments are growing considerably faster than those of West Germany. In 1978 the sector's export growth rate was only 1.5 per cent higher than that of West Germany but in 1977 this figure shot up to 29 per cent.

The report, which will go before the next meeting of the National Economic Development Council in February, calls for the setting up of a market information service to help small and medium sized companies in the sector to identify export and import-substitution opportunities more easily. It is estimated that the service would cost between £20,000 and £30,000 a year to run but the sector working party wants it to become self-financing within a maximum of four years — or else be wound up.

The report also calls for the National Economic Development Office to help organise export missions to South Korea, Taiwan and some of the Comecon countries. It says South Korea's imports of organic chemicals now rival those of Japan and it points out that the UK has a market share of only 0.2 per cent, while West Germany's market share is 10 times as high.

Counties to step up fight against council changes

By PAUL TAYLOR

THE GOVERNMENT'S White Paper proposals for wide change in local authority powers might cost millions, the Association of County Councils said yesterday.

After last week's publication of the Government's plans for "organic change" the association is to intensify its campaign of opposition to the proposed changes.

In spite of declarations from Mr. Peter Shore, Environment Secretary, and the Association of District Councils that the association's warnings on cost are "exaggerated," the counties remain convinced that preparations for the changes will cost hundreds of thousands of pounds and that the changes themselves might cost millions of pounds in additional staff and buildings.

In the absence of any Government costings, the association plans a detailed paper on the financial implications of hand-cast millions, the Association of County Councils said yesterday.

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Lord Beswick joins Airbus group Board

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

LORD BESWICK, chairman of British Aerospace, has joined the supervisory board of Airbus Industrie, the European group which builds the 250-seat A-300 Airbus and is now also developing the smaller 200-seat A-310.

Three other British Aerospace executives are also joining the Airbus Industrie board. They are: Sir Peter Fletcher, director of corporate strategy and planning; Mr. J. L. Thomas, managing director (civil) of British Aerospace; and Mr. R. H. Sawyer, finance director of the Aircraft Group of British Aerospace.

The appointments follow the decision late last year by the Government to give Airbus Industrie, with a 20 per cent financial stake in the organisation, to help develop airliners for the 1980s. The UK's

eventual investment may be up to £250m.

The UK has had a private venture stake in the A-300 for some years, building wings for the aircraft, and will now also build wings for the A-310.

But the significance of the UK resumption of membership of the Airbus group goes further. A big demand is expected in the 1980s for a new, smaller type of aircraft in the 130-160 seat category. Airbus Industrie has plans to meet that demand with the Joint European Transport (JET) programme.

It is hoped that if the project materialises, the UK industry could win a big share of it, mainly because other partners in Airbus Industrie will be so deeply committed on A-300 and A-310 work that they will not have the resources to undertake new ventures.

UK and Malaysia plan talks on air agreement

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

TALKS on a new UK-Malaysian air services agreement begin on February 5 in Kuala Lumpur.

Malaysia is expected to ask for additional landing rights in the UK, in return for allowing the British Airways-Singapore Airlines joint Concorde service to fly through Malaysian air space en route to and from Singapore.

At the same time, the Malaysian Government is expected to make it plain that it is not prepared to accept new British and Australian cheap fares plans which do not permit stop-overs in South-East Asia.

The Malaysian airline, MAS, at present has two services a week to London. It is understood that it wants to increase these as well as its Hong Kong flights.

The UK and Malaysia have denied officially that the year-long ban on Concorde, lifted only last week, had anything to do with Malaysia's desire for improved air services to the UK, but there is little doubt in airline circles that this is at the root of the problem.

It seems likely, however, that the UK Government and British Airways would be prepared to accept additional MAS flights to and from London, if this meant Concorde flights to and from Singapore could continue in the months ahead.

The most difficult question is the one of cheap flights between the UK and Australia, involving the problem of stop-overs—the ability of passengers to get off the aircraft in South-East Asia for one or two days, before continuing their journeys.

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THE NEW TOWN of East Kilbride is to hold a five-day Commonwealth conference on New Towns with more than 300 delegates.

Mr. George Young, managing director of the East Kilbride Development Corporation, said in London yesterday that the conference, which opens on September 17, will give Commonwealth countries a chance to learn from the UK's experience.

There are 32 New Towns in Britain, containing one in 20 of the population.

East Kilbride was the first New Town in Scotland, set up in 1947. It then had a population of 2,400, now nearly 78,000.

Mr. Kavanagh had not been asked to tender for the demolition work as he was not a member of the National Federation of Demolition Contractors or on the Demolition and Dismantling Industries' Register.

Until the district auditor gives his ruling in the case, the council cannot pass the borough's annual accounts.

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Crucial meeting on BL specialist companies' future

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

MANAGEMENT'S recommendation on the future of Aveling Barford and Prestcold, the remaining companies in BL's specialist engineering division, will be made at a meeting this week between the senior managers from BL, SP Industries and the two companies.

The future of the companies has been under review for the past month following the transfer of the rest of the companies in SP Industries to Leyland Vehicles.

Options that have been considered, include selling the companies to outside buyers. As the second largest British-owned company in the construction equipment industry, Aveling Barford has attracted a lot of interest. But there have been no discussions on prices, because the review team wants to wait until the decision on its future is made.

Collaboration with another company in the industry, either British or foreign-owned is another possibility.

This week's outcome will be discussed by the National Enterprise Board. Consultations with the unions will also be held, although Aveling Barford shop stewards have had informal discussions with the review team.

The need for a revised policy is emphasised by the worsening financial situation of the two companies which is particularly acute at Aveling Barford.

Losses for the whole of 1978 are expected to be £3.5m (in 1977 the company made a profit of £3m before tax and interest), while Prestcold's profit of around £500,000 was less than a third of its budgeted profit for 1978. Prestcold suffered a long strike at its Glasgow plant last year, but it is believed to be in a healthier state at present. Mainly as a result of the loss at Aveling Barford, and Prestcold's shortfall, SP Industries is believed to have finished 1978 with a small loss. In 1977, the division made a profit of £12.1m, a useful contribution to the troubled BL parent company.

Coventry Climax, which was moved into Leyland Vehicles with Alvis and Self-Changing Gears towards the end of last year, ended the year with a profit of around £4.5m before tax and interest.

The result will be seen favourably, considering that this company also suffered a long strike during 1978.

Sanctions trial acquittals

MORE ACQUITTALS have been directed by the judge in the Rhodesian sanction-breaking trial involving two subsidiaries of Lucas Industries, the electronics group.

The case against Lucas Service Overseas of Haddenham, Bucks., and CAV, of Acton, London, is now in its fourth week at Aylesbury crown court.

The prosecution alleged the illegal export of motor vehicle spares to Rhodesia in 1975 and 1976.

Yesterday, CAV and its exports accounts manager, Mr. John Maund, aged 52, were cleared of the three charges alleging that they agreed to supply goods knowing or having reasonable cause to believe that they would go to Rhodesia.

Judge Lawrence Verney, also directed the jury to bring in not guilty verdicts on four similar charges against Lucas and five against Mr. David West, aged 49, former manager of African affairs, for Lucas.

The trial is continuing on nine remaining charges against Lucas and four concerning Mr. West. They both deny all charges.

CAV and Mr. Maund were awarded costs and their acquittal follows a similar decision, last week, by the judge concerning Mr. Thomas Lock, aged 46, a director of Lucas.

Way ahead for clothing industry

BY RHYS DAVID

THE UK clothing industry is poised to become one of the strongest in Europe, but much remains to be done for that to come about, a report by the industry's economic development committee says today.

The report says that productivity in the industry has been better than that of manufacturing as a whole since 1973, and that exports, which have shown an 85 per cent increase in real terms in the past 2½ years, are in line with the industry's objective of £1bn overseas sales by 1980. The industry's efforts to stem penetration of the home market by imports have been helped by the new EEC/GATT Multi Fibre Arrangement bilateral agreements.

The committee warns, however, that despite the achievements of the past few years the industry has to overcome major problems to secure its objectives. There remains a significant potential for improving productivity and performance to the highest international standards. Because of strong price competition and its effect on margins the industry has experienced difficulties in paying competitive wages, which has resulted in continued loss of skilled labour. There is also a shortage of management and professional staff in production, design and marketing.

The Economic Development Committee is concerned at the growth in imports from advanced countries which last year reduced the UK's surplus in this

trade for the first time since 1975. There was also a disturbing slackening of export growth in 1978, a year when the home market was buoyant, following the doubling of overseas sales in the two years to 1977.

The Committee nevertheless remains as its objectives: an increase in exports to more than £1bn by 1980; imports in 1980 to be no more than 11 per cent higher than in 1978 in real terms; output at least 8 per cent higher in 1980 than in mid-1978 in real terms; and employment at least as high in 1980 as in mid-1978.

The report says that there will be opportunities for the UK industry to achieve a constant or increasing share of a growing UK market. The industry should consider a steady movement to better quality goods and should seek to supply outlets which are expanding or are likely to expand fastest, such as variety chains, multiple speciality stores, grocery supermarkets, or mail order firms.

The main area of opportunity, given the UK's advantage as a low-cost manufacturing base, should be in overseas markets, especially West Germany and the Benelux countries. Manufacturers should choose the most favourable outlets, which may not be the same as in the UK.

As evidence of the opportunities, the report says that the UK sold 9.2 per cent of all clothing exported from OECD countries in 1976 but only

accounted for 5.3 per cent of imports to the top six markets, which purchased nearly 60 per cent of all OECD exports.

Greater exposure to overseas markets would tend to sharpen a company's product range and its competitiveness in the UK market. Selling in faster growing overseas markets is an integral part of a policy to take a greater share of the UK market and to increase production.

The report says the most

important requirements for the industry are: improved management and marketing; achieving the improvements in productivity known to be possible; and the effectiveness of the MFA bilateral and their continuation beyond 1981, when the present agreement expires.

The Government is urged to ensure that an effective mechanism for monitoring imports is maintained to ensure that quotas are adhered to, and that there is effective

global control to prevent cumulative disruption.

The report says the committee's work programme for 1979 will concentrate on preventing further growth of imports from advanced countries, and achieving export growth. The programme will also include a project on the employment problems of the industry. *Clothing Industry EDC report, Nedo Books, 1 Steel House, 11 Tothill Street, SW1H 9LJ — free.*

SNP irked by foreign land buyers

BY RAY PERMAN, SCOTTISH CORRESPONDENT

ONE MILLION acres of land in Scotland has been bought by foreign interests in the past two years, the Scottish National Party said yesterday.

Mr. Hamish Watt, MP for Bonf, said in Glasgow that the movement of overseas investors and of financial institutions into the land market was forcing the price of prime agricultural land beyond the means of most Scottish farmers.

If that went on young farmers would be unable to compete, rural areas would suffer decline as estates were taken over by absentee landlords and ultimately the population would drift away.

The only way to avoid that disaster was for Scots to vote in favour of devolution in the

referendum on March 1 so that a Scottish Assembly could introduce tough measures to limit the buying of land by outsiders.

If the SNP was in power, it would set up a Land Commission to carry out a land capability survey and introduce legislation to prohibit the future purchase of land for agriculture or forestry by people who were not resident in Scotland or institutions that did not have at least 80 per cent of their share capital in Scotland.

Mr. Patrick Milne Home told a meeting of the Royal Institution of Chartered Surveyors in Edinburgh yesterday that top quality arable farmland in Scotland might cost as much as £3,000 an acre this year. But prices were far below those in

Europe, particularly Holland and West Germany, where land could cost up to £6,000 an acre.

National Trust help for farms

THE NATIONAL TRUST is to help Lake District farming by promoting more use of hand-knitting yarn spun from lake-land fleeces.

Three years ago it produced the first knitting pattern using wool from the lakeland's Herdwick sheep. Now it has produced two more pattern leaflets which show how to knit outer garments using a mixture of Herdwick and Swaledale. The National Trust owns 71 fell farms in Cumbria, which have 18,000 sheep.

Car dealers' profits rise 50% in 3 years

FINANCIAL TIMES REPORTER

AN ANALYSIS of the financial performance of 60 leading UK car dealers in the three-year period ending April 1978 showed that profit margins improved by 50 per cent, but were still comparatively low at an average of 3 per cent.

ICC Business Ratios, which compiled the analysis, said: "Even in prosperous times for the industry, margins are small and in line with other retail businesses."

The period under review was notable for a strong recovery in the car trade. Volume, prices and margins were all on a strong upward trend, so that profits increased substantially from the depressed levels of 1975.

Sales of the companies in the report rose by 56.5 per cent over the three years. Profits rose by 128.5 per cent.

The overall return on capital employed recovered from 8.8 per cent in 1975-76 to 14.3 per cent. This is still fairly low for an industry which has made a strong recovery.

The report points out that prices for both new and used vehicles have been increasing faster than the retail price index.

BL prices went up 20 per cent between 1975 and 1976, another 24 per cent the following year, and 11 per cent from mid-1977 to mid-1978.

Over the same years, Ford prices increased by 19 per cent, 23 per cent and 12 per cent respectively, while the price index advanced only 17 per cent, 16 per cent and 8 per cent.

But inflation now seemed to be slowing down, and prices were rising in-line with the index.

Profits would probably increase, but the recent rise in interest rates might discourage purchases since hire purchase was an important method of financing the trade.

"For the car dealers, diversification into allied business such as car rental, manufacture of accessories, specialist retailing such as tyres, and extension of repair and maintenance, will become more important profit elements in the event of any downturn beginning about the middle of 1979."

Car Dealers, 1978: ICC Business Ratios, BL, City Road, London EC1Y 1BD, £44.

Subaru will hold car prices steady until March

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

SUBARU UK, the most recently established Japanese car importer in Britain, is to hold the prices of its cars and four-wheel-drive models steady at least until March. Price changes occurred previously last June.

But the company which is linked with the group that bought the rump of the old Jensen cars business after its financial collapse, is still waiting to hear from Fuji Heavy Industries, makers of Subaru cars, about its car allocation for this year.

Last year, its first full year of operation, it received 2,000 vehicles and hopes for 5,000 this year.

Mr. Bob Edmiston, managing director, said at the weekend: "We are able to hold prices on existing models as a result of sterling maintaining its value

against the yen. But we shall be reviewing the situation again in March."

The move has much in common with Datsun's decision at the end of last year to hold prices for three months. Like Datsun at that time, Subaru is short of stock. It is quoting a two-month wait for its popular four-wheel-drive estate vehicle. It sold 624 last year and in the first 20 days of January sales were double those in the same period last year.

The Subaru GFT model, at the top of the range, will go up in price by 6 per cent, from £2,289 to £2,428, because the specification has been improved. The company says it has new protective mouldings to enhance its sporty appearance, and front-seat headroom has been increased by 20 mm.

W. Midlands plan to halt decline

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

AN INITIATIVE to unite industry and local authorities in a campaign to halt the economic decline of the West Midlands has been taken by the region's Economic Planning Council.

The council has recommended the formation of a West Midlands Industrial and Employment Development Association to promote and lobby for the area.

The regions which get the most serious hearing from Government are those which show a united front on regional policy and needs, the council claims in a document sent to local authorities, the CBI, TUC and Chambers of Commerce.

The council is worried at the poor performance of the local economy. It said: "By and large, the industrial sectors which dominate West Midlands industry are in trouble. Several—including machine tools, engineering, jewellery and aircraft—employ about one-third fewer people than they did only a decade ago."

ponent industries, employing up to 250,000 people in the region, faced increasing foreign competition.

The council went on: "To complete the picture of a vulnerable regional economy we know that the West Midlands has been slipping in the productivity, earnings and personal income leagues."

The council calls for the development association to promote the region as a unit.

The association would not just seek to attract inward investment but would also help generate growth of indigenous industry.

Most people agree that Barclaycard is a very neat way of wiping the slate clean.

For expenses like restaurants, hotels, petrol, servicing the car, and department store shopping, the little blue, white and gold card is very convenient.

Instead of fiddling around with cash or lots of cheques just sign on the line. It's as easy as that.

Unfortunately it's the very simplicity of using Barclaycard that worries people, too.

They feel that quite apart from their regular purchases, it would be all too easy to sign away for anything that takes their fancy.

And suddenly the card that seemed to be so useful for mopping up bills has cleaned out their savings.

A perfectly understandable worry.

So we'd like to spend a few paragraphs to reassure you. To show you that, far from depleting your resources, your Barclaycard can actually help you increase them.

First, we don't ask you to pay for your

purchases for at least three weeks and it could be as long as eight. Repay in full, and you'll pay no interest.

So if you time it right, we'll give you an interest-free loan for up to eight weeks.

Secondly, your Barclaycard can help reduce bank charges. Use it instead of cheques and settle with us with a single monthly payment.

Thirdly, your Barclaycard can save money if you use it for extended credit.

For example, at sale times you can buy lots of money-saving bargains even if you're temporarily broke. Things that would cost more if you waited until you were flush.

Also, if you commute you can save by buying one yearly season ticket instead of less economical weeklies or monthlies.

And when you're buying clothes, your Barclaycard enables you to spend a little more and buy better quality goods which will last longer and be greater value.

Or if you want your car serviced, you can

get it done when necessary, rather than when the car starts to fall apart.

Used in these ways, your Barclaycard becomes a real investment.

And, all the while you're using it, you're not eating into your hard-earned savings.

Of course, a little common sense is called for, too. But then we believe you've got that. Otherwise you wouldn't be worrying in the first place.

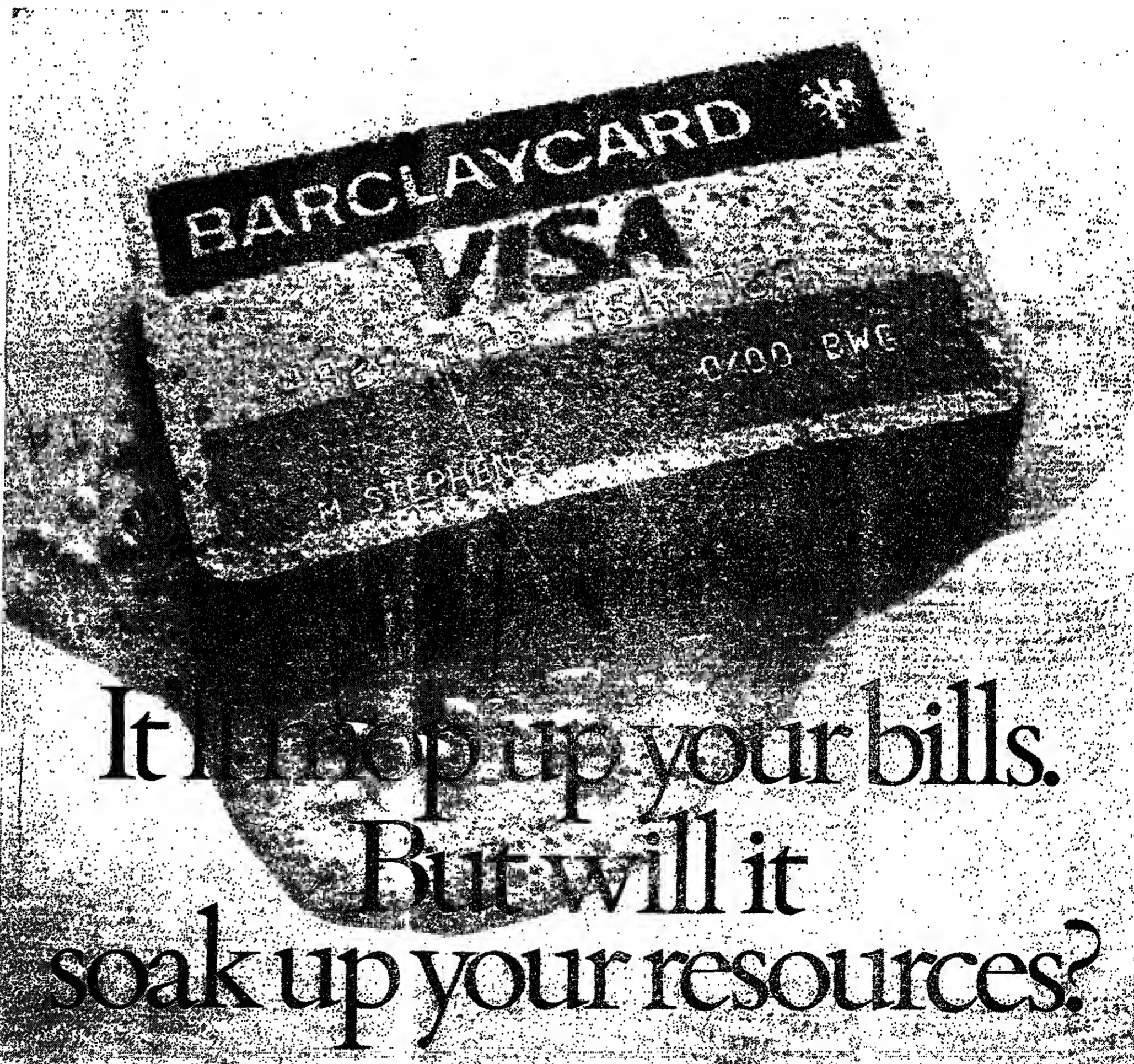
Used sensibly, your Barclaycard is a most efficient way to handle your finances.

It'll keep you in the black and you shouldn't have to sponge off anyone.

For further information about Barclaycard, call at any branch of Barclays Bank or in Scotland any branch of the Bank of Scotland.

Or write to Barclaycard, Department MA, Northampton NN1 1SG.

You don't have to bank with Barclays to have a Barclaycard.



It mops up your bills.
But will it
soak up your resources?

William Stern denies knowing 'the grandfather'

BY TERRY OGG

THE QUESTION of whether Mr. William Stern, the former property magnate, had a high-level contact at the Crown Agents, known within his property group as "the grandfather" was raised at the Crown Agents tribunal yesterday.

Mr. Stern denied knowing anyone at the Crown Agents by such a nickname. The name was raised at the tribunal last week by Mr. Martin Jackson, a former director of Bradley House Investments, one of the Stern Group property development companies.

A letter, written in February 1973 by Mr. Jackson to Mr. Brian James, a fellow director concerning negotiations on a development site at Epsom, in which the Crown Agents already had an interest, raised the possibility of a rival property company being interested in the site and the Crown Agents starting a Dutch auction.

The letter said: "Perhaps we should have another look at the figures and offer them a once and for all \$9m. I have sent a copy of this letter to Mr. Stern, asking him to have a word with the 'grandfather' to see whether we can cut out the competition."

Mr. Robert Gatehouse, QC, counsel for the tribunal, asked Mr. Jackson who the "grandfather" was. Mr. Jackson said: "I think it was Mr. Stern's contact at the Crown Agents, the man with whom he dealt on the money. I do not remember his name."

Mr. Gatehouse then asked: "Was that the name by which you and Mr. Stern frequently referred to the gentleman in question—a sobriquet?" Mr. Jackson said: "Willie (Mr. Stern) and I did not meet very often. I do not think we discussed the grandfather very often."

Mr. John Hicks, representing Mr. Stern, suggested in cross-examination that the reference to the grandfather may "just have been a phrase you used off the cuff." Mr. Jackson replied: "I think it was supposed to be a nickname."

Mr. Hicks said: "I am suggesting to you that Mr. Stern had never in conversation with you given you to understand that there was somebody at the Crown Agents whom he referred to as 'the grandfather'?" Mr. Jackson said the phrase was used "once or twice be-

tween us at various meetings." During yesterday's hearing, Mr. Gatehouse referred to the personal guarantees which Mr. Stern had given the Crown Agents and suggested that Mr. Stern knew that these were worthless. Mr. Stern replied that while the guarantees did not add any additional monetary substance they did tie him inextricably to the loans.

Mr. Stern said: "I, unlike others, was unable to walk away from the economic conditions of 1974. I stayed with the Liquidation to the end."

Mr. Justice Croom-Johnson, the tribunal chairman, suggested to Mr. Stern that he knew people were lending him money and the guarantees he was giving were worthless.

Mr. Stern said: "If you are implying a sense of recklessness in the giving of guarantees where there were not external assets, I must disagree."

Gift list Earlier, the tribunal heard that Mr. Alan Challis, the former head of Crown Agents' finance directorate, was in the top five of the Stern Christmas gift list in 1972.

Mr. Stern said: "It may seem odd but there is a corporate pecking order and the Crown Agents was one of the very few institutions where I felt our organisation was involved at different levels."

Mr. Stern said that Mr. Challis was given a silver tea set worth more than £400, and the value of the gift reflected his place on the gift list. He added: "He was deserving of the sort of recognition that only four other people received. Of the other four, two were lenders and two were close colleagues in the estate agency world."

Health spending council planned

BY PAUL TAYLOR

THE GOVERNMENT has accepted that the National Health Service's purchasing policy needs a shake-up, and is to set up a new supply council to get more value for money and save up to £30m a year.

After a recent meeting of health service chairmen, officers and representatives of doctors, trade unions and the medical supplies industry, Mr. Ennals, Health Secretary, announced yesterday that he would decide soon on the form and membership of a new central supply unit in the health service.

A new central supply unit in the health service was first proposed last year in a report by the supply working group chaired by Mr. Brian Salmon. Mr. Ennals told the meeting, held in London last weekend, that he was determined to bring about changes in the health service supplies system to make more effective use of the service's buying power of more than £800m a year.

He said it has been suggested that more effective purchasing policy could save as much as £30m a year, releasing more resources for expanding NHS services.

Two alternative proposals, have emerged from the discussions: a capital supply council, which would formulate policy, or a central capital directorate, which would also have executive responsibility for supplies throughout the service.

Attack on building funds plan By Michael Cassell, Building Correspondent

GOVERNMENT public expenditure plans for the building industry outlined in a recent White Paper have "appalled" the Federation of Associations of Specialists and Sub-Contractors.

Mr. Reg Freese, Housing and Construction Minister, has been told by the federation, in a memorandum, that it views "with very great concern" the "barbaric" attempts to control public expenditure have had on the industry.

The White Paper shows no sign of remedying the situation. The federation says that greater attention should be given to the balance between current and capital, and that within the public sector, priority should be given to capital projects.

It adds in its memorandum: "There is a particular need to restore priority to local and central Government capital spending on construction projects, in view of the serious effects that the cuts of recent years have had on the construction industry. We are disappointed that Government assurances in this direction have not been realised."

Cement group in link with Italians By Michael Cassell, Building Correspondent

THE RUGBY Portland Cement joint consultancy and advisory venture with Societe des Ciments Francaise has been expanded to admit an Italian cement company as a third and equal partner.

Lord Boyd-Carpenter, chairman of Rugby Portland, announced yesterday that Unicec SpA, of Italy, has become a partner in Compagnie Financiere pour la Recherche et le Developpement (CFRD-Luxembourg). An expansion of share capital was approved and Unicec acquired all the new shares.

CFRD-Luxembourg was set up to sell the French and British companies' knowledge and expertise in countries overseas where there is a demand for cement production. It is engaged on a big contract to advise the cement industry in the Philippines.

Unicec will be represented on the CFRD-Luxembourg board by four of its board members.

Pickets grip on ports begins to relax

BY LYNTON McLAIN

STRIKING lorry-drivers eased their grip on many ports yesterday, but pockets of resistance remained. At Tilbury police were out in force as about 50 pickets tried to "blockade" the port.

Lorries moved freely in and out of the Humber ports and at Bristol, where drivers had agreed to arbitration and all pickets were removed.

No pickets were on duty at two of the main docks at Hull, where there was a gradual return to normal. By tomorrow local transport companies, which have met the drivers' pay claim, are expected to be operating as normal.

Lorries moved into Immingham to collect imports and there was only a small picket at the eastern docks. There were no pickets at Goole. Pickets remained at Grimsby.

No lorries were stopped from entering the port if their drivers had dispensation from the local strike committee. East Anglian ports were reported returning to normal as 60 hauliers agreed to a pay settlement with 1,000 drivers.

The National Ports Council said that picketing had intensified at Tilbury. Pickets manned the gates at the main South Wales ports, but local drivers with dispensation could move lorries freely in and out.

Mining equipment for export was delivered and loaded at Newport, and Mitsubishi Colt cars were driven away under their own power.

Non-ferrous metals were moved from storage sheds at Cardiff ready for delivery, and 600 tons of coffee by Freightliner to Avonmouth docks.

More bananas were delivered by Geest vehicles in and out of Barry, and 400 tons of U.S. Government stores were allowed out for delivery to U.S. bases. Picketing at Leith and Grangemouth on the Firth of Forth remained solid.

On the Tees there was more evidence that strikers had started to obey the code of conduct issued by the TGWU. ICI was allowed to move certain chemicals.

Dockers' shop stewards at Liverpool agreed with the local strike committee to release the 140,000 packages of tomatoes aboard the Osaka Reefer from the Canaries.

The strikers agreed to release all future perishable cargoes. The port had only 15 per cent of its dock space available last night. Congestion will continue to build up until transport returned to normal.

UK strikes drive away French orders

BY DAVID WHITE IN PARIS

A SIGNIFICANT number of Britain's customers in France are switching to other sources of supply because of strikes in the UK.

This has emerged from a survey carried out by the British Chamber of Commerce in France among its members. The chamber warned that long-term trade prospects might be damaged as a result of the stoppages.

A quarter of the companies said they would buy elsewhere. The chamber said it had received 68 replies from its membership, and that 65 per cent reported that business had been disrupted.

Other companies said their business with the UK might well be affected in the long-run. About 15 per cent either had switched their purchases or planned to do so in the short-term, and another 10

per cent envisaged doing so in the long-term. These figures, the chamber said, gained in importance because many members were subsidiaries or exclusive agents of British companies and therefore not in a position to switch if they wanted to.

Seven companies reported lost orders for goods worth a total of £500,000. These included parts for £150,000 worth of farm machinery. A tender for a £2.7m contract might also have to be withdrawn because of increased costs, the survey revealed.

Britain's important market in whisky was among those most seriously jeopardised. Whisky importers were losing their opportunity when buyers were stocking up ahead of a duty increase taking effect in February.

Few back at work in South-west

By Robin Reeves

ONLY A few hundred out of nearly 3,000 workers laid off in the South-west were immediately back at work yesterday, in spite of the local agreement between the Transport and General Workers' Union and the Road Haulage Association to end the strike and send the dispute to arbitration elsewhere.

The main victim, British Cellophane's plant at Bridgewater, was unable to recall the 2,000 workers laid off last week because picketing in Manchester is still holding up necessary supplies.

It is also clear that with nineteenth of the region's trade linked to other areas, a return to normal still hinges on strike settlements elsewhere. Reports from different parts of the South-west confirmed, however, that pickets had withdrawn from the docks and places of work and that drivers were resuming normal working pending the outcome of the arbitration.

Layoffs in Wales still total 11,000. Industrial action by the public service unions is continuing to disrupt the hospital service and schools. The CBI in Yorkshire has formed a special joint emergency committee with the Association of Yorkshire and Humberside Chambers of Commerce which will remain in being after the lorry drivers' strike is over to deal with problems caused by other industrial disputes.

Settlements ease chemical distribution By Sue Cameron

THE EFFECTS of the road haulage strike on the chemical industry began to ease slightly yesterday. BP Chemicals said that more and more local settlements were being made but that contractors were saying it might take several days to get vehicles back on the roads. Bad weather was understood to have affected lorries that had stood idle for three weeks.

Imperial Chemical Industries also said that more lorries were becoming available. But matters were being reviewed daily and its production was still only 60 per cent of normal.

British Steel plans to re-open plants as supplies arrive

BY ROY HODSON

BRITISH STEEL is hopeful that later this week it will be possible to re-open some of the steel plants, crippled by the road transport dispute.

The corporation has abandoned plans to lay-off a further 700 workers at tube-making plants. The plants threatened were the Imperial Works, Scotland, the Bromford Works, Birmingham, and the Bryngwyn Works, Wales.

The corporation is finding it easier to move materials and finished products and the movement of vital steelmaking chemicals is being accomplished with less disruption than at any time during the strike.

Some 14,000 of the 26,500 BSC workers laid off because of the transport strike are in the Sheffield area. The main problem facing the Sheffield and Rotherham steelworks is their lack of storage space for finished products.

The threat of a severe tinplate shortage which could disrupt production at Metal Box factories and the other can-makers is receding. A limited restart of tinplate production is being planned by the corporation at the three tinplate centres, Froeston, Vethadon, and Ebbw Vale.

Pickets at the tinplate works are allowing collections to be made by customers' own vehicles. British Steel is keeping the tinplate warehouses open for as long as possible each day by employing extra shifts.

Pilkington lays off 1,000 more workers

BY RHYD DAVID

PILKINGTON BROTHERS, the glass manufacturer, laid off 1,000 more people at its St. Helen's factory, Lancs., yesterday, bringing its layoffs to more than 4,000, and the total for the town to 9,000.

The glass industry had been hit by a shortage of raw materials, including soda ash from the chemical industry. Other layoffs in the town include Rockware (550) and United Glass (750).

St. Helen's is one of the towns worst affected, but there are large layoffs totals in other centres in the area, including Bolton (5,100) and Warrington (4,100).

Food and fodder flows faster through ports

FINANCIAL TIMES REPORTER

FOOD and animal feed supplies began to flow more rapidly as picketing eased at ports and factories, the Ministry of Agriculture reported yesterday. Sugar distribution was back to 75 per cent of normal. Although salt supplies were still picketed, the Ministry said, stocks in the shops were satisfactory after the weekend. There were still some shortages, mainly in the North. Animal feed-makers also sent

the Ministry's reports. Some leading manufacturers have begun to offer their full ranges of feeds again. Shortages of protein had increased millions to reduce supply only emergency rationing. A spokesman said that part from persistent problems in Northern Ireland, Liverpool, Manchester and Tilbury ports were working normally with food and animal feed traffic moving freely.

Ulster disruption grows as lorry talks collapse

BY OUR BELFAST CORRESPONDENT

ULSTER INDUSTRY faces growing disruption after a breakdown of negotiations yesterday in the lorry drivers' dispute. Transport and General Workers' Union officials met representatives of the haulage employers after a mass meeting at the weekend rejected an offer of £22.50 a week and improved fringe benefits.

The Northern Ireland Labour Relations Agency which brought both parties together said it was clear after only an hour that deadlock had been reached. The employers said their offer—which amounted to 17.9 per cent on the basic minimum

weekly wage—was final and they would not enter fresh negotiations. The strike committee is stepping up picketing today, particularly at the ports. Mr. Jim Sleanor, regional director of the Confederation of British Industry, said he did not think many employers would be able to retain labour as raw materials ran out and export orders were blocked. Up to 10,000 people are idle because of the dispute.

A work-to-rule by members of the Confederation of Health Service Employees is expected to begin to affect Ulster hospitals later this week.

Conflicting claims about Scottish pay deals

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THERE WAS little evidence of a return to normal working in Scotland yesterday. There were conflicting claims by the transport union and the Road Haulage Association.

The Confederation of British Industry said the dispute was still stopping practically all movement from ports and container depots. About 35,000 Scottish workers are laid off. The union said that 28 companies in Aberdeen, Dundee, Glasgow, Wishaw and Ayr had so far signed or were about to sign individual agreements which conceded the claim for £85 a week.

Mr. Peter Talbot, trade union secretary for the haulage industry, said that drivers working for these companies would be returning to work when each agreement was reached and when picketing was called off. He said: "We could provide

the names of these companies, but we are not disclosing them at the moment because we know pressure would be put on them by the Road Haulage Association."

The association denied that any significantly sized firms had conceded the £85 claim. In the Aberdeen area, both sides maintained that they were winning the dispute. Mr. Danny McCormack, secretary of the local strike committee, said that only 37 drivers had returned to work for less than the full claim, whereas 30 firms had already signed agreements conceding £85.

But Mr. Ian Cooper, chairman of the local haulage association branch, replied that employers were still holding out against the strike, but 300 drivers in 30 firms had accepted the £80 offer and returned to work.

Aston Martins await export

ASTON MARTIN, which makes

only six super-luxury cars a week, has 18, all for export and worth £310,000, held up by the lorry-drivers dispute. The company is shipping them to Le Havre by ferry in transfer to a ship bound for the U.S. The other three are for the Middle East.

More North Sea oil refined abroad

BY KEVIN DONE, ENERGY CORRESPONDENT

AN INCREASING share of North Sea oil production is being exported, in spite of Government policy that up to two-thirds should be refined in the UK.

As much as 44 per cent of crude oil produced in the UK sector was exported last year chiefly to Western Europe and North America.

Last month the export share was slightly higher, with 46 per cent of production going overseas: 2m tonnes out of 4.4m.

The Government is monitoring the position but the industry's performance over the past 12 months shows that it is still willing to interpret its refinery policy with considerable flexibility.

The Government would be unhappy if North Sea oil exports were to rise much higher as a share of total production. It accepts, however, the oil industry's argument that a considerable premium is to be won by exporting the sought-after light crudes produced in the North Sea in exchange for

heavier crudes from the Middle East, Africa, North and South America.

North Sea oil exports are not legally restricted, although companies are clearly open to persuasion if exports rise too far above the Government policy level.

Several refinery expansion projects under way in the UK are based on oil company hopes for exporting their share of North Sea production and importing crude.

Murphy Petroleum, of the U.S., which has a share in the Ninian Field, plans to export its North Sea production while importing Middle East crude for its refinery in Milford Haven.

The British National Oil Corporation confirmed yesterday that it is to buy a 10 per cent share in the Beatrice Field from Hunt Oil of the U.S. Hunt will retain a production interest in the corporation's share, which will be payable after the Corporation has recovered all its capital expenditure.

Lambeth Delft slab fetches £5,000

A VERY rare Lambeth Delft oval pill slab dated 1687 was sold at Christie's yesterday for £5,000, plus 10 per cent buyer's premium—more than double the estimate.

No recorded similar example of that date exists. The pill slab is painted in tones of blue and carries the arms of the Apothecaries' Company. It was discovered during cataloguing for the house sale at Switland Hall near Loughborough, home of the Earl of Laneborough, last October.

It was bought by the London dealer Jellinek and Sampson, who also acquired a London Delft blue-and-white figure of a seated cat, 4 1/2 in high, dated 1680, for £4,000 and a rare Liverpool Delft lawyer's bowl, 12 in diameter, of 1750-60, inscribed To The Glorious Incertainty of the Law.

A slipware three-handled tyg of 1707 went to the London dealer Winifred Williams for £2,800. The auction totalled £44,281.

At Sotheby's, the first day of a printed book auction totalled £32,783, with Quaritch paying £3,500, more than five times

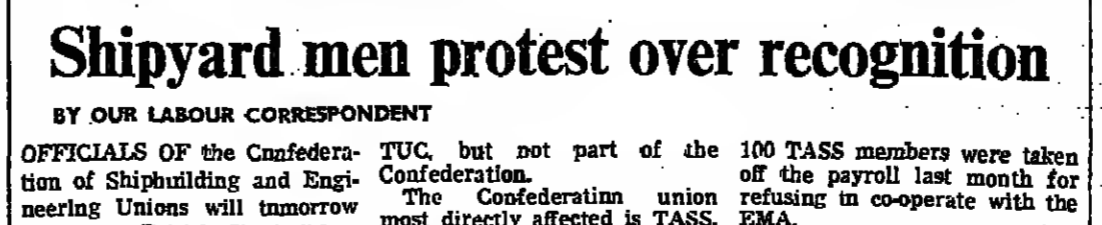
Record area reclaimed

By Paul Taylor

A RECORD 6,521 acres of derelict land were reclaimed by local authorities in England during 1977-78 according to figures published by the Department of the Environment yesterday.

The figures show that in the two years 1976-77 and 1977-78 a total of 10,513 acres of derelict land were restored to use. About 25 per cent was in the inner city areas designated under the Inner Urban Areas Act 1973.

Devil's Land reclamation, 1976-78, Department of the Environment, price 60p.



HMS SOUTHAMPTON, the Royal Navy's latest destroyer, being named with the traditional bottle of champagne by Lady Cameron, wife of the Chief of the Defence Staff, yesterday. But the vessel could not move down the slipway afterwards because of industrial action by boilermakers Society members at Vosper Thornycroft's Woolston, Southampton, yard. The men were protesting at the state of national pay negotiations in British Shipbuilders.

Shipyard men protest over recognition

BY OUR LABOUR CORRESPONDENT

OFFICIALS of the Confederation of Shipbuilding and Engineering Unions will tomorrow protest to British Shipbuilders about its decision to recognise the Engineers and Managers Association.

British Shipbuilders greeted national recognition to the EMA, which is affiliated to the TUC, but not part of the Confederation. The Confederation union most directly affected is TASS, the white collar section of the Amalgamated Union of Engineering Workers. It has already instructed its members not to cooperate with EMA managers. At British Shipbuilders' Haverton Hill yard on Teesside, 100 TASS members were taken off the payroll last month for refusing to co-operate with the EMA. The action has halted work by TASS draughtsmen on two refrigerated cargo vessels for the Bank and Savill Line. There have been warnings that British Shipbuilders may lose the order as a result.



Is it really the taxman who is squeezing the life out of your company?

As calmly as you can, consider the 52% which the taxman takes out of your company's profits.

Now, just as calmly, consider this:

The average industrial company spends the same amount on its storage and materials handling.

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2. Storage rental down £12,000 a year. Payback, 7 months.

3. Storage capacity up 30%, worth £10,000. Picking times down 50%. Payback, 12 months.

4. Storage capacity up 20%. Stockholding levels down 15%. Labour costs down £10,000. Payback, 12 to 18 months.

You can read how they did it by sending for our 'Book of 100 Answers', which describes 100 of our case histories in detail.

And we can tell you how your own storage and materials handling system can be improved, whether yours is a large company or a small one.

Of course, we're not entirely disinterested in all this.

For we make and sell a wider range of storage equipment than any other company in the world.

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And even if the taxman takes what he regards as his share, there's still more profit for you.



We'll help you make money out of thin air.

THE JOBS COLUMN

Offers of money, ideas, skills and work

BY MICHAEL DIXON

"I HAVE GOT about £500,000 that I want to invest in small companies, so can you help me?" The question was asked the other day by a top executive from the European headquarters of a major multi-national, who now wants to work on his own account. And the person whom he was asking was Michael Bretherton.

The approach was the latest result of my announcement eight long weeks ago that Mr. Bretherton, who runs the executive development services of Right Match International in London, had volunteered to join the Jobs Column in an experiment.

"This was to test the demand for a private-enterprise type of clearing house to bring together people with currently unemployed assets, whether they be money, ideas for products or services, managerial or other work skills, or whatever.

"Inevitably, the proposal was also a test of my faith, if not Mr. Bretherton's, that this column's readership included a useful nucleus of people actively interested in contributing to spontaneous enterprise.

To be honest, perhaps because daily newspaper journalism conditions are to be voraciously impatient, I was somewhat disappointed with the early response to the scheme. Although separate checks suggested that

the article had been read extensively, people seemed slow to identify themselves to Michael Bretherton as potential resources of one kind or another.

But as time has gone by I have become more cheerful. Take for instance the prospective investor of £500,000. He apparently read the proposal, which appeared on December 5, while he was in Kuwait. He then waited until he returned before responding. In another case response was delayed by procedural requirements—the case of a Dutch local authority interested in commercial ideas which could be developed so as to create productive jobs for people in its area.

As I write, we have a stock of rather more than 30 people or organisations wanting to take part in the experimental "resource-exchange."

Inventors

Five of them can be classified as inventors, the first of these being the group from Shrewsbury School whose design of the Invashrew invalid car won them first prize in their class in the BBC's competition to identify the young engineers of the year. The car is now being investigated by Warwick Production, a Thomas Tilling group company specialising mainly in medical trolleys and other equipment, as well as by a company in

France. In addition, three of the young team of designers and developers have been offered industrial scholarships by United Kingdom groups, and a fourth offer seems probable.

The other four inventors are nider people. Two of them are professionals who definitely share the impression, widespread among those who have responded, that society looks on new business development as something to be actively discouraged. Frustration is probably too weak a word for the feelings of those who, keen to get to work on some small-scale business activity, find that their energies are being drained by bureaucratic paper-pushing and nit-picking, let alone by financial disincentives.

The other pair of inventors are amateurs whose interest in the resource-exchange springs not least from what they see as a current lack of any facility for discussing their ideas with experts in commercial development. Some readily available means of providing such feedback to often effectively isolated inventors would surely be of great potential value.

Among them, the quartet of inventive individuals are putting forward more than 1,000 possibilities of new products. These include a puncture-proof tyre, an electric oil pressure controller heater, an electric oil flash steam engine, a bicycle

dynamo set with continuous lighting; a metal fabrication pneumatic component assembly; and a plastic injection moulding screen printing assembly.

The potential backers, besides the top European executive whom I mentioned earlier, range from a section of the Midland Bank down to individuals with around £20,000 to invest. In some instances, these smaller would-be backers are executives who have been reorganised out of their job and want to invest their managerial skills in conjunction with their money. A backer of another kind is Martin Gilbert, owner of a company in Devon, who is offering space and services in his factory.

People wanted

One outcome which I certainly did not expect is that the number of people offering only their skill in specialist or general management as a resource, is exceeded by people offering work for demonstrably capable managers as chief executives to start small companies, to run commercial projects already in existence, to identify new business opportunities, and so on.

To round off the current stock, Mr. Bretherton has offers of assorted consultancy services ranging from careers-counselling, through advice on non-executive directorships, to the development of a "mutual-self-help" scheme

for people setting up in business for themselves.

So what comes next?

Well, Michael Bretherton and I have just agreed that the results of the experiment so far are sufficient to suggest that there is a potentially useful role for a resource-exchange. So we are going to continue the project into a second stage.

He is currently putting the resources which have already come to market, in touch with one another, and will keep an eye on anything that develops from the contacts. Meanwhile he is keen to hear from other organisations and individuals, anywhere in the world, with resources in need of matching with those of others.

During this next stage, Mr. Bretherton is willing to continue acting as the clearing house from Right Match International's offices at 5, St. James's Place, London SW1A 1NP. The telephone number is 01-491 4737, and the Telex number is 97180. According to what does, or does not happen over the next three months or so, he will decide whether or not the project is worth promoting on a bigger and wider scale.

If it does prove so, of course, the prospect will be not only exciting, but also challenging. Because resources will be needed for developing and running the exchange-resource itself. And although that

challenge is as yet merely hypothetical, Michael B. would welcome any ideas readers may have on how best it might be answered.

On board

WHEN Midshipman Dixon joined HMS Ladybird in Japan in 1952, his commanding officer was Lieutenant-Commander David Sheppard. So, naval traditions dying hard, I instantly replied "Aye, aye, Sir," when the said Sheppard, now a headhunter, asked me to signal that he is seeking a finance director for the Hammerson Property and Investment Trust.

The job carries responsibility for all financial aspects of the property group's international business. Particular concerns include relations with financial institutions, and policy and arrangements for any new financing. Accountancy qualification is less important than impressive experience in similar work, and anyone who has dealt internationally on behalf of an eminent merchant bank would have an advantage.

Salary is classified top secret. But I'll risk insubordination by guessing at a minimum of £30,000. Inquiries with appropriate qualifications to Sir at David Sheppard and Partners, 21, Cleveland Place, London SW1Y 6RL. Telephone 01-930 8786.

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Interviews will be conducted in London.

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35, NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE 01-588 3588 or 01-588 3576. TELEX 887374.

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The successful candidate will be responsible for the total finance/accounting function of a four-unit manufacturing division (turnover £20m+) - itself part of a U.K. public company. The full range of financial, cost and management accounting is involved, including monthly reporting, cash management, budgets and systems development via computerisation. There will be considerable involvement as a key member of the management team. Candidates will be qualified and suitably experienced with enough ambition and potential for promotion to the Company Board in the short term. Ref: 21157/FT.

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This new key appointment will interest a young person with potential for a directorship within the short/medium term. Our client, part of a successful British public Group, manufactures aluminium extrusions, slugs and collapsible tubes. The successful candidate will control manufacturing at headquarters with a workforce of 300 and be responsible, through a Works Manager, for a second 200 employee site in the North. Candidates, 30+, will be qualified to degree/HNC standard, preferably Chartered Engineers. Relevant experience in non-ferrous metals would be valuable together with strong management ability. Ref: 21159/FT.

J.A.T. Bowers,
These positions are open to male or female candidates. Please telephone in confidence for a Personal History Form, quoting the appropriate reference to:
LONDON: 01-734 6852, Sutherland House, 5/6, Argyll Street, W1E 6EZ.

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Principals setting up from scratch, Caravan manufacturing company in Europe require for personnel: Corporate directors of (a) Production; (b) Finance; (c) Marketing. Three years experience in caravan manufacturing sought to 1978 on terms later this year. Equally, Reply in strictest confidence to: Box A666, 10, Cannon Street, EC4A 3DF.

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S.W. LONDON Salary Negotiable c. £7,500

The CONSTRUCTION INDUSTRY TRAINING BOARD invites applications for this post. The Principal Adviser is responsible to the Financial Controller for the operation of the Board's Economic and Manpower Advisory Services, the staff of which numbers are divided into three units responsible for economic and manpower studies, financial planning and the programming, planning and budgetary function, and is located at its Headquarters in Norbury, London SW16.

The successful applicant will probably be in his/her early thirties, have had not less than ten years' experience in economics and market analysis and should have knowledge of the structure of the Construction Industry and experience in the field of labour economics. He/she must be able to express himself/herself accurately and succinctly both on paper and orally in committee.

The salary will be negotiable up to £8,000 p.a. Good fringe benefits are provided.

Please write for application form and a more detailed job description to:
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Radnor House, London Road, Norbury, London SW16 6EL
quoting reference PEMA and enclosing an unstamped self-addressed envelope.

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Telephone enquiries will be accepted in confidence Monday through Friday during office hours.

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Tel. Paris 787 11 31

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Polytechnic of the South Bank

The Council of the Polytechnic invites applications for the post of

DIRECTOR

which will become available on 1st January 1980 following the retirement of the present Director.

Salary approx. £16,000 pa

Further particulars available from the Clerk to the Council, Polytechnic of the South Bank, Borough Road, London SE1 0AA.
Closing date for applications: 28th February 1979

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Royston Ridgeway career managing people
Kent House, 87 Regent Street, London W1.

هكرو من الأجهل

The Finance Division of Memorex European Headquarters has the following vacancies which arise due to attractive promotion opportunities within the Company for the previous job-holders.

Senior Financial Analyst—Budgets + Forecast

Reported to the B+F Manager, to assist with annual preparation of budgets by setting up objectives, financial procedures and guidelines and computerised systems for the budget process; to analyse variances, investigate and provide solutions for unfavourable variances.

Applicants, ACA or MBA, should have at least 3 years' relevant post-qualification experience, strong accounting knowledge and experience in budgeting and computerised systems design. Must have excellent communications skills to interface with all levels of management.

Senior Financial Analyst—Measurements + Analysis

Reporting to the M+A Manager, to perform analysis on product profitability, prepare budgets, be involved in all aspects of financial and management reporting activities within a multi-national company; to undertake project control.

Applicants, ACA or MBA, should have at least 3 years' relevant post-qualification experience in financial analysis, preferably with a multi-national group. Experience within the D.P. industry would be useful.

All vacancies are based in our pleasant modern offices situated close to the Piccadilly Line at Hounslow East. We offer competitive salaries and attractive benefits including 50p L.V.s, 4 weeks' holiday, excellent pension scheme, free life assurance and BUPA cover. Please send career details, or write/phone for an application form to Helen Smith, Memorex Europe Limited, Hounslow House, 730 London Road, Hounslow, Middlesex TW3 1PD. Telephone: 01-572 7391.

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To review actual tax reporting and deferred tax accounting and to consolidate tax reporting and budgets. Preparation of data for use in tax planning. To support and back up Memorex country operations, throughout Europe, with tax audits and tax strategy. Monitoring and supervision of intercompany pricing.

Applicants should be qualified ACA or ACCA and preferably a member of the Institute of Taxation. Ideally, they should have experience in international taxation and substantial general accounting knowledge. Experience within a U.S. multi-national company would be useful.

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APPOINTMENTS

Senior changes at Vickers Medical

Mr. Kenton Wood, president of Vickers America Medical Corporation for the past four years, has been appointed to the additional post of chief executive of VICKERS MEDICAL ENGINEERING. He succeeds Mr. Curtis O'Donnell, managing director and chief executive of Vickers Medical, who is taking up a new position outside the company.

Mr. Robert Breech as managing director of Vickers Medical. He has been the division's operations director for three years and assistant managing director since 1977. Dr. Breech and Dr. Colin Sower, the division's marketing director, have both joined the Board of Vickers America Medical Corporation.

Mr. Frank J. Murphy and Mr. Bernard P. Cronin have been appointed directors of SUNBEAM LIMITED, a subsidiary of Sunbeam Wolsley, Mr. R. A. Price will be joining member company SUBEAM (TEXTILES) as chief executive on February 1. Mr. Price was formerly with ICI Fibres.

Mr. Frank Brown and Mr. J. Pieterse have joined the Board of TORLINE, the UK subsidiary of Tor Line AB.

Mr. Peter Millard has been appointed to the main Board of LAWRENCE DAYID as sales and marketing director. Mr. Millard joins the company from Crane Fruehauf Trailers.

Mr. Raymond Cox has been appointed director of manufacturing of QUAKER OATS to

Mr. William Barraclough has been appointed joint managing director of HAYTERS with effect from February 1. Mr. Barraclough will take over as managing director in July, when Mr. Douglas Hayter retires at the age of 66. Mr. Hayter will remain chairman.

Mr. Eric Saunders, the company's general sales manager, joins the Board as sales director.

Mr. James B. Brown has been elected senior vice president and general manager of EMERY AIR FREIGHT. He succeeds Mr. John Heath who has left the company to pursue personal business interests.

Mr. Ken Gordon, who has worked for Emery Air Freight in London for the past 11 years, has moved to the company's headquarters in Rotterdam as divisional service manager for Europe, Africa and the Middle East.

Mr. J. R. Hill has been appointed director of HAWLEY COOPER UNDERWRITING AGENCY.

Professor A. D. M. Penman, senior principal scientific officer at the Building Research Establishment, has been appointed honorary professor in the department of engineering at the UNIVERSITY OF WARWICK for five years.

Mr. H. J. Clancy has been elected chairman for 1979-80 of the NATIONAL JOINT CONSULTATIVE COMMITTEE FOR BUILDING in succession to Mr. H. C. Morris. Mr. P. J. B. Telling has been appointed vice-chairman.

Mr. Peter Kilner has been elected chairman of MIDDLE EAST ECONOMIC DIGEST in succession to the late Mrs. Elizabeth Colliard. Mr. Jonathan Wallace has been appointed publisher and Mr. Frank Harper has joined the Board.

Mr. Jonathan Bowman has been appointed export director at SALTER INDUSTRIAL MEASUREMENT.

Mr. C. A. J. Mitford has become financial controller at VOITH ENGINEERING, the UK subsidiary of the W. Cerman Voith Group. Previously he was group financial accountant with Cadbury Schweppes.

Mr. E. Lynden, finance director of COPDEX, has been appointed to the additional position of deputy managing director. New members of the Board are Mr. Richard L. Connell (sales), and Mr. Andre Donek (marketing and supplies).

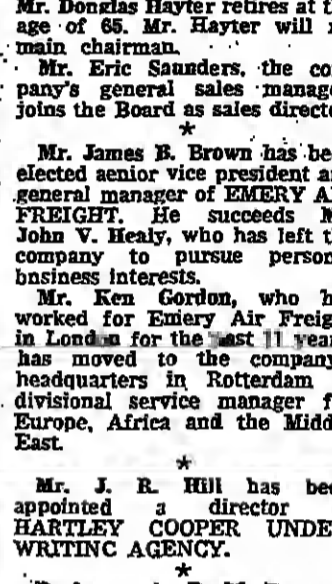
Mr. Stanley Edwards has been appointed managing director, Mr. Brian Conner, sales director, and Mr. Colin Parsons, technical director, on the Board of METAL CLOSURES GROUP as a full-time executive with the title of group director UK operations.

Mr. J. H. V. Davies, a deputy secretary in the Ministry of Agriculture, Fisheries and Food, has been appointed a member of the INTERVENTION BOARD FOR AGRICULTURAL PRODUCE. He succeeds Mr. E. D. Hayes, who has resigned from the Board following his appointment as permanent secretary to the Ministry.

Dr. Ing. Klaus Meincke has been appointed a member of the Board of managing directors of WESSERTE AG, Bad Oeynhausen, from March 1.



MR. RAYMOND COX Quaker Oats



MR. ERIC SAUNDERS Vickers Medical



MR. E. LYNDEN COPDEX Ltd.



MR. STANLEY EDWARDS METAL CLOSURES GROUP

COMPANY NOTICE

PULLMAN INCORPORATED

PULLMAN INC. reported the best year in its 111-year history, with a 98% increase in earnings over 1977.

Table with 3 columns: Item, 1978, 1977. Rows: Revenues, Net income, Net earnings per share, Consolidated backlog.

C. P. Lattin, Jr., PULLMAN's President and Chief Executive Officer, observed that the corporation is "well positioned for a positive performance in 1979 with the record backlog for transportation equipment, the stable growth potential of the leasing, financing and insurance subsidiaries and a solid beginning backlog of engineering and construction projects."

CONTRACTS AND TENDERS

KINGDOM OF MOROCCO

OFFICE NATIONAL DE L'EAU POTABLE

INVITATION TO TENDER

WATER SUPPLY TO THE COASTAL

ZONE BETWEEN RABAT AND CASABLANCA

HIGH PRESSURE STATIONS

The "Office National de l'Eau Potable" invites tenders for the supply and installation of electrical and hydro-mechanical equipment of two high-pressure stations in Rabat and Bouznika.

—Debit 2.3 m³/s and 2 m³/s. —Manometric height 30 and 40 metres.

The works will be accomplished with the financial participation of the International Bank for Reconstruction and Development (IBRD).

A copy of the relevant documents can be collected, against a cheque of 600 Dirhams made payable to "Monsieur le Directeur de l'Office National de l'Eau Potable," at the following addresses:—

- L'Office National de l'Eau Potable, 6 Bis, Rue Patrice Lumumba, Rabat—Maroc. -SAFEGE: Ingénieur Conseil, 72, Rue des Suisses 92.000, Nanterre—France.

Submissions should be sent to Monsieur le Directeur de l'Office National de l'Eau Potable, B.P. Rabat-Chellah (Maroc) in two separate envelopes:—

- (a) One containing financial references and technical references of works of a similar nature and importance accomplished by the company. (b) One containing the actual submission with a provisional guarantee equal to 1.5% of its total value.

Only submissions by those companies whose references have been judged adequate will be considered. Preselection will take place immediately prior to the opening of the submission envelopes. The closing date for submissions is 7th March, 1979, at 12.00 hours.

Opportunities for Qualified Accountants in Saudi Arabia

Our client, a Saudi Arabian Government Agency, is urgently looking for a number of Qualified Accountants (ACA/ACCA/ACMA) to work on the World's largest airport at Jeddah, the planning, construction and development for which the Agency has total responsibility.

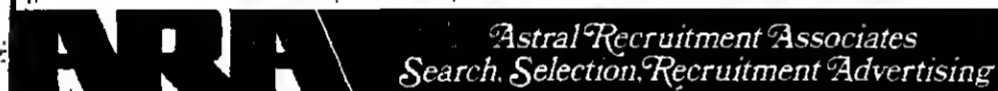
These qualified personnel will join the team as

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These positions are urgent, and our client will be in the UK during the latter half of February to conduct interviews—and make offers. If the challenge of working overseas on one of the largest contracts available appeals to you, you should immediately forward c.v., quoting Ref. 9325, to Chris Warton at Astral Recruitment Associates, Astral House, 17/19 Maddox Street, London W1R 0EY.



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LEGAL NOTICES

No. 00383 of 1978 IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of W. H. TAYLOR & CO. LIMITED and in the Matter of THE CHANIES LTD. NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was an 82nd day of January, 1978, presented to the said Court by IMPERIAL GROUP LIMITED whose Registered Office is at Imperial House, 1, Grosvenor Place, W.1. In the absence of a meeting of the said Company, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 28th day of February, 1978, any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same. TROWER STILL & KEELING, 5, New Square, Lincoln's Inn, London EC4A 3DF (Ref: RW/AJ/B). Agents for: J. N. B. SPARKS, Administrators, Bristol BS99 7JH. Solicitor for the Petitioner. NOTE—Any person who intends to appear on the hearing of the said Petition must send, or send by post, to the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than 24 hours before the time of the hearing of the said Petition, 1978.

COMPANY NOTICES

URUGUAY 25% CONSOLIDATED DEBT 1991 Williams & Glyn's Bank Limited hereby give notice that they will be prepared to pay on the Petition of the coupon due on that date of the above mentioned debt. The coupon must be left three clear days for examination. S-10 Great Tower Street, London, E.C.3.

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CLUBS

EVE, 189, Regent Street, 734 0557. A is a Club for Men, The Sovereigns, Floor 10, 11, 12, 13, 14, 15 and 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100. Mon-Fri, Closed Saturdays, 01-437 6435.

SECRETARIAL APPOINTMENTS

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MEMORIAL SERVICE

MEMORIAL—Memorial Service for William Edward Viscount Harcourt will be held at St. Lawrence Jewry, London, EC4A 3DF, on Monday, 29th January 1979, at 11.00 a.m.

Vertical text on the left edge of the page, including 'MANAGER', 'For', 'Bank in Hong Kong', 'L.S.555,000', 'Y MANAGER', 'er', 'WERS', 'TS', 'technic', 'the post of', 'able on', 'of the', 'COOPA', '1979'.

Teachers 'free to cross pickets'

Price Commission Bill faces stormy Commons passage

CBI warned not to cause a panic

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE Confederation of British Industry and its director general, Sir John Methven, were strongly rebuked last night by Mr. Roy Hattersley, the Prices Secretary, for their criticism of the Government's proposed changes in the prices code.

Mr. Hattersley said the CBI would be to blame if its attacks led to a loss of confidence and morale among businessmen and industrialists.

His remarks came in the second reading debate on the controversial Price Commission (Amendment) Bill. This reverts the automatic price safeguards which allow a company to put up its prices during an investigation by the Commission.

The Bill, which is likely to have a stormy passage, came under a bitter attack from Mrs. Sylvia Oppenheim, the Conservative shadow prices secretary.

She denounced it as a fraud which had been introduced in an attempt to put a temporary halt on prices increase during the run up to the General Election.

It had been brought in as a sop to the unions and would lead to bankruptcies, and a loss of investment, she said.

Opening the debate, Mr. Hattersley told the House that he had two meetings with the CBI about the Bill, one of them only last week. The Confederation still continued to talk as though

it would mean the Price Commission imposing a pattern of profits and investment throughout industry according to a crude and systematic formula.

"If they discuss the work of the Price Commission in that way and if there is the result

panies would be told: "Justify the increase and it is yours. Fail to justify it and you are not allowed simply to pass it on to the consumer."

The fear and horror expressed by the CBI director-general could be totally allayed, said

the Price Commission an instrument of wages policy.

Its work was most valuable when it looked at areas where the "cold wind of competition was now blowing very fiercely."

He wanted powers to "bring some of the facts of competition

South of Scotland Electricity Board and London Transport.

He emphasised that the Bill would allow the Commission to exercise its powers more effectively over the nationalised industries.

The safeguards had prevented the Commission from making increases in one third of the investigations carried out since 1977. The discretion which the Commission should have possessed had been completely removed.

He cited the cases of Imperial Tobacco, Lever Brothers and Cadbury Schweppes.

These companies had been able to say: "This is the price increase we chose and the Price Commission had been unable to prevent them automatically going ahead."

He wanted to see a system where the Commission could prevent increases that seemed unreasonable. Many of its members regarded the safeguards as an unjustifiably limitation on its powers.

In a written Commons answer, Mr. Robert MacLennan, Under-Secretary for Prices, said that the price increases awarded under the safeguard regulations since August 1977 was approximately £365m annually.

If they had been passed, they would have added 0.5 per cent to the annual sum of consumer expenditure.

Gloomy Heath calls for more political unity

BY ELINOR GOODMAN, LOBBY CORRESPONDENT

Mr. Edward Heath, the former Conservative leader, broke his brooding silence yesterday to call for a common approach to the problems facing Britain.

Following what was mostly a deeply pessimistic analysis of the country's problems, he said that there was enough common ground between the political parties to launch a national revival.

He stopped short, however, of proposing a fully fledged government of national unity.

He was also sufficiently precise about the areas of possible all-party co-operation not to offend his successor, Mrs. Thatcher, who had herself offered the Government the Tories' support for measures to control secondary picketing.

He appeared to be suggesting that there might be scope for co-operation, over counter-inflation policy and ensuring respect for the law.

The industrial situation in Britain, he said, with its under-employment of labour, demonstrated beyond doubt that no political party enjoys a monopoly of good relations with the trade unions and that no Government was impervious to the challenge of those who wished to assert their interests over and above those of the whole community.

Britain's deep-seated problems in industrial relations would face Governments of every colour.

The country had learned from "bitter experience" after the defeat of his Government in 1974 of the consequences of roaring inflation.

He had hoped that Britain had become determined never to allow inflation approaching that scale to happen again.

Yet here we are, less than five years later, insisting on wage settlements that can only lead to inflation soaring once more. We have been round this course and we know the outcome only too well.

His address to journalists at a Newspaper Press Fund luncheon in Glasgow was his first major speech since November. He called for a common approach to those tasks on which the country could unite.

Let us set aside for the time being those on which we are divided.



Mr. Edward Heath

The phenomenon which Britain was witnessing went far beyond the work of left-wing agitators or militant minorities who had held the country to ransom in the past, he said.

After the experience of the last 30 years, politicians ought at least to be able to agree that they were all confronted with common problems.

The voter saw this clearly enough. Respect for Parliament and its authority could not be restored until politicians acknowledged that the electorate already knew.

It is only when our fellow citizens see a unity of approach on these matters in Parliament that they will themselves work for that same unity in their daily lives, he said.

Directors oppose new powers

THE Government's declared intention to widen the Price Commission's powers was condemned yesterday by Mr. Denis Randolpb, chairman of the Institute of Directors.

"Parliament is debating the Government's hastily-introduced Bill to widen the powers of the Price Commission," he said in a statement.

"It will be able to investigate at whim the pricing policy of a company and to freeze its prices for three months without paying attention to the existing profits safeguards which protect the company's profitability.

"This lays bare the Government's departure from its much-discussed industrial strategy, published in July, 1978, under which the employment prospects of every man and woman in this country were to be improved by encouraging the success of manufacturing industry.

"How can such an aim be squared with the new arbitrary powers proposed for the Price Commission? Strangling the already dangerously-squeezed profits of the wealth-creating sector is hardly the way to strengthen manufacturing industry or to brighten the job prospects of those in this country who are today seeking work."

He gave five examples where every penny of an increase had been granted automatically, and because safeguards stopped the Commission preventing them.

The applications had been from Tate and Lyle, British Railways, Allied Breweries, the

of a loss in confidence and morale, it is the CBI and the CBI alone which must be held responsible for that loss.

No one could believe that the Price Commission would use its power in a destructive way. There could be no doubt, however, that in the past the profit safeguards had prevented it from using its powers at all.

When the safeguards were removed by the Bill, the Commission would continue to operate by a simple rule. Com-

Mr. Hattersley. Profits for the increase in investment, the creation of jobs and promotion of exports were wholly safeguarded in the general sense under the Price Commission Act, with or without the profit safeguards.

He described as "hizarre" the allegation from the CBI and the Opposition that the Bill had no bearing on the problems now facing the country.

Mr. Hattersley denied that the intention of the Bill was to make

to areas where they don't exist at the moment."

If the Bill became law, the Commission would no longer have to "rubber stamp" increases which it wanted to prevent.

He gave five examples where every penny of an increase had been granted automatically, and because safeguards stopped the Commission preventing them.

The applications had been from Tate and Lyle, British Railways, Allied Breweries, the

Threat to act over dumping

BY IVOR OWEN

IF THE EEC Commission is unable to protect British domestic appliance manufacturers against dumping, the Government will explore other avenues, Mr. Michael Meacher, Under-Secretary for Trade, assured the Commons yesterday.

His statement caused a stir on the Opposition benches, and among Labour and Tory anti-marketiers, but MPs failed to gain any further elucidation of the Government's intentions.

Mr. Meacher insisted that it would not be to the interests of either workers or management in industry if he were to be more specific.

Mr. Wyn Roberts (Cons, Conwy) led the protests by pointing to the damage being caused to companies in his constituency through the dumping of Italian washing machines.

He said dumping was difficult to prove because of the different subsidies given by the Italian Government.

Mr. Meacher explained that allegations that certain domestic appliances were being dumped had been passed to the EEC Commission, to whom the anti-dumping powers previously exercised by the Department had been transferred.

None of the complaints had yet been substantiated. Labour anti-marketiers renewed their demands that Britain should leave the EEC after they were told that the UK had a crude trade deficit of £2,485m with the Community in 1978.

Rees sees end to drivers' strike

BY IVOR OWEN

NEW APPROACHES made by the Government to the trade unions should lead to wider observance of the voluntary code on picketing at the docks and ease the growing problem over exports, Mr. Merlyn Rees, Home Secretary, told the Commons yesterday.

He gave a generally optimistic account of the success achieved so far in maintaining supplies and services, and gave tentative figures to support the view of Labour backbenchers that the growing number of regional settlements could open the way for a speedy end—to a national basis—to the lorry drivers' strike.

But the Home Secretary made it clear that while he would welcome a return to normality and the standing down of the Cabinet emergency committee, he would be "sad" for the Government's pay policy.

The information available to him suggested that regional settlements covered 10,000 out of the 40,000 or 50,000 lorry drivers on strike.

On the whole, Tory MPs were less strident than on earlier occasions in their criticism of the Government's handling of the distribution problems caused by the strike.

But John Nott, shadow trade minister, stressed that, taking account of the Christmas

and New Year holiday period, Britain was experiencing the worst blockade of the ports since the war.

The Home Secretary saw early prospects of a return to normal working in the East Anglia ports, including Felixstowe, Ipswich and Harwich.

He claimed that there was now "practically" no picketing at Avonmouth. He understood that movement was beginning at Hull but this would have to be checked.

Mr. Rees pointed to the government's success last week in securing union co-operation in clearing the movement of priority medical and pharmaceutical supplies as an example of the response which it was hoped to obtain over exports.

He emphasised that in the light of growing public anxiety about the threat to supplies and employment, and in particular the effect on exports, it was essential that the code of practice should be applied strictly at the docks and at the inland container terminals.

"This means that there should be no hindrance to any movement out of the docks or terminals of priority supplies, whether or not they are carried by Road Haulage Association vehicles, and no hindrance to the movement of other supplies of all kinds when carried by

vehicles which are not party to the present dispute.

"We have emphasised to both unions (TGWU and the URTU) that it is vital that pickets should not obstruct these movements and must not victimise these drivers.

"This is fully in keeping with the code of practice and the instructions given by the union to its members."

As a result, said Mr. Rees, the Government hoped that companies not involved in the dispute who had business at the ports would find it possible to resume their normal operations.

Dealing with the position in industry, he reported that since the statement made last Friday by Mr. Eric Varley, the Industry Secretary, new figures showed that production in manufacturing industry had suffered a further decline to less than 85 per cent of normal.

The number of workers laid off was by the end of last week probably around a quarter of a million. Certain key industries, such as chemical and metal manufacture, had been particularly hard hit.

So far as food was concerned, said the Home Secretary, supplies generally of goods in the shops were adequate.

Housewives had shown great common sense. Some commodities had been scarce but the

Whisky jobs could land on the rocks

MANY jobs in the bottling and packaging sectors of the Scotch whisky trade could end up "on the rocks" because whisky is being exported in bulk, David Canavan (Lab., Strathgairn) said yesterday.

There was concern in the trade union movement about the damaging effect of bulk exports on jobs in the bottling, capping and packaging industry.

Mr. Canavan also attacked whisky distillers who he said were exporting Scotch in bulk to overseas companies who mixed it with inferior spirits and passed it off as genuine Scotch whisky.

Mr. Michael Meacher, Trade Under-Secretary, confirmed that the Government was aware of the problem. This was why it had asked the National Economic Development Organisation to produce a report published last month.

One of the conclusions had been the undesirability of exporting Scotch in bulk. But this was a difficult problem to tackle and the Government was looking for a united front within the industry. This was not currently forthcoming.

Last year, 74m proof gallons of Scotch and Irish whiskey had been exported in bottles and 32m proof gallons in bulk.

Statement promised on EMS

By Our Parliamentary Staff

THE Government is not yet ready to make a statement about whether Britain will deposit currency reserves with the European Monetary Co-operation Fund.

Mr. Denis Healey, the Chancellor, said that the position on the start of the new EMS arrangements was still uncertain at the moment.

"When it is clearer, I will announce the Government's decision on depositing reserves with the European Monetary Co-operation Fund.

Mr. Smith replied he had not had the opportunity to study the judgment on the case and so could not make any comments about it.

Earlier, Mr. Smith had told MPs that exports to a very high value were being held up because of the dispute, but he could not put a figure to the amount involved.

Mr. Smith added: "If this were to continue, the strikers

No figure available for export losses

BRITAIN IS suffering the worst blockade of her ports since the Second World War as a result of the lorry drivers' strike, Opposition Trade spokesman Mr. John Nott claimed in the Commons yesterday.

The strike, covering both the Christmas and New Year holidays, was also the longest the country had faced since the war, he said during question time.

He asked Mr. John Smith, Trade Secretary, whether he welcomed the injunction United Biscuits had won to ban secondary picketing.

Mr. Smith replied he had not had the opportunity to study the judgment on the case and so could not make any comments about it.

Earlier, Mr. Smith had told MPs that exports to a very high value were being held up because of the dispute, but he could not put a figure to the amount involved.

Mr. Smith added: "If this were to continue, the strikers

Navy order for three vessels

AN ORDER was placed yesterday with Vosper Thornycroft (UK) for the construction of a third of the Hunt Class of mine counter-measures vessels for the Royal Navy.

Dr. John Gilbert, Defence Minister, told the Commons the order in a written answer.

He said the vessel would be called HMS Cattistock.

An order had also been placed for the construction of two further Hunt Class mine counter-measures vessels.

Waiting list

A TOTAL of 1,177 patients were awaiting kidney transplants last year, Health Minister Mr. Roland Moyle said yesterday in a Commons written reply to Mr. Ian Wrigglesworth (Lab, Thornaby).

EEC trade figures anger MPs

LABOUR MPs yesterday demanded that Britain should quit the EEC because of "disappointing" trade figure with Common Market countries.

During Commons questions, Mr. Dennis Skinner (Lab., Boleover) said Britain should pull out unless she could solve trade problems which were resulting in "large dole queues."

He was commenting on 1978 figures which gave Britain a crude trade deficit with the EEC of £2,485m.

Mr. Michael Meacher, Trade Under-Secretary, said the permanent effects of EEC membership could not be established "at this stage."

Disposable weapons adopted

THE BRITISH ARMY is to be equipped with cheap throw-away anti-tank weapons, the Ministry of Defence said yesterday. The LAW (Light Anti-Tank weapon) packs enough punch to knock out the tanks of the 1980s and is light enough to be added to an infantryman's normal equipment.

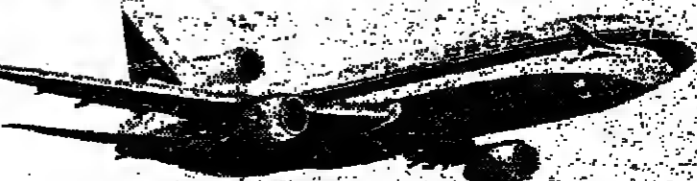
And it is so cheap to produce that it will be discarded after a single shot.

This new generation weapon was conceived by the Royal Armament Research and Development Establishment and was developed by Hunting Engineering. Its British makers hope it will be adopted by other NATO armies in the 1980s.

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MANAGEMENT

EDITED BY CHRISTOPHER LORENZ

Trade with Comecon is not for the fainthearted

BY ANTHONY ROBINSON

SUCCESSFUL penetration of the various national markets which make up Comecon is fraught with many a Catch-22 type situation.

The fact that, with the partial exception of Hungary, foreign trade is considered too serious a business to leave to "businessmen" in the western sense, is one of the great distinguishing marks of trade with the centrally planned economies.

Yugoslavia, which is not part of Comecon, is the only socialist country where a western businessman can pack his bags and make directly for the office or plant of the company to which he wishes to sell.

This means that the first meeting with the FTO is usually the culmination of months of research, contacts with the local

representatives of the FTO in London and acquaintance with bodies like the Department of Trade, the Export Credit Guarantee Department, as well as the East-West trade department of the local Chamber of Commerce and the sort of seminars and receptions which they organise.

To a considerable degree, therefore, the persistence and dedication which is required to reach first base in trading with Comecon is in itself a fairly selective process.

Trading with Comecon is definitely not for the faint-hearted, nor is it recommended for companies with a temporary surplus of capacity looking for a convenient export market.

The advice of the professionals who account for a large proportion of the £10n-worth of UK exports to Comecon annually is that the decision to engage in Comecon trade should be made at board level.

The Soviet Union and the other Comecon countries take foreign trade very seriously indeed.

Many companies over the past decade have pitched their first efforts to break into Comecon



"We're a bit low on cash at the moment, comrade, but I can offer you 13 million cans of bortsch."

the leaders of the recent 300-strong delegation of U.S. businessmen, with the sort of pomp and circumstance usually reserved for heads of state.

As a general rule the men doing the negotiations in the FTOs will have been in their jobs for years, and often decades. They tend to be very cautious and prefer to deal with people they know and products with which they are familiar.

Innovation of any kind requires a careful decision, which has to be collectively arrived at, and a degree of risk. The penalties they face for making the wrong decision can be traumatic while their rewards for risk taking are slim and uncertain.

By and large the Comecon negotiating system is much better at driving a hard bargain with Western businessmen than it is at penetrating Western markets with its own products.

through Poland and Hungary and other more flexible markets, and a good track record elsewhere in Comecon is a definite advantage in subsequent trading with the Soviet Union or other bloc countries.

Indeed, good liaison at all levels is a vital and complex part of the whole balancing act. This is especially so when negotiations are taking place simultaneously with several FTOs, as is frequently the case when a deal involves, say, a specific branch of the engineering FTO (the main negotiator) with, say, the FTO involved in the import of plant dealing with the licensing aspect.

Jealousy and rivalry between FTOs is far from unknown and

making sure that all are informed of the state of negotiations without incurring the wrath or suspicion of any participants is an exercise which frequently calls for considerable skill.

One of the great advantages to Comecon of having professional foreign trade negotiators is that they are an important channel for providing a great deal of free technical information. All insist on having the fullest possible documentation from their potential suppliers.

It is important to remember here that one copy will eventually find its way to the eventual end-user whose technical evaluation will influence the outcome.

Steering a middle way between providing enough information to clinch a deal without giving away too many commercial and technical secrets is a major problem for many high technology exporters. This becomes clear when the FTO proposes a "technical exchange."

conceded totally or in part in order to allow the negotiators to gain the bonuses which they earn on screwing down the original terms.

But price is not the only factor determining the eventual profitability or otherwise of the deal. In view of the penalty clauses for late delivery part of the bargaining technique is to try to secure the earliest possible delivery terms. Rash promises of delivery dates is a sure-fire way of losing money.

Other major pitfalls include the kind of performance guarantees which may be required, especially when the performance of the plant or equipment may well be vitally affected by the quality of locally applied components or raw materials over whose quality the supplier has little or no control.

Once the contract is written it is virtually engraved in stone and in all stages leading up to the contract old hands in the Comecon trade game insist that a totally competent translator/interpreter and a stenographer to take notes during negotiations is vital.

Opinions differ however on the services of a lawyer. Some of the most experienced and self-confident veterans, like Mr. Peter Bennett, executive director of the East-West House, hold that taking a lawyer with you into negotiations complicates

matters horribly. "If you bring one, they bring one and negotiations then can be awfully tedious."

Others, like Ralph Lend of Rank Xerox, take the opposite view and insist that a lawyer should be present at all stages of negotiations — although all are agreed that careful examination of the fine print is vital to avoid expensive misunderstanding.

In view of the time and effort involved in finalising contracts it can legitimately be asked: Why bother, when there are easier markets to be tapped? The idea of an "easy market" is increasing an illusion and the real choice is between two markets, each with its own set of difficulties. Most Comecon markets, the Soviet Union in particular, have a good record for paying up regularly and on time, although increasingly hard currency difficulties have led to delays in payments from the most tightly pressed.

Finally, although a growing number of western companies have taken the plunge and gone through the difficult and expensive process of establishing representative offices or service organisations in Comecon countries, the industrial structure is such that once the decision has been taken to buy a product the overall costs of penetrating the market tend to be comparable, or less than would be incurred in exploiting, say, the U.S. or other markets which require the establishment of an elaborate sales and after sales network throughout the country. Centralising through the FTOs does, after all, have its advantages.

Incentives to get employees to move

DESPITE CONSIDERABLE reluctance among many employees in recent years to being relocated by their companies within the UK, mobility is none the less increasing, according to a report just published by the British Institute of Management.

A variety of excuses are put forward by those who do not want to make a move. They include family commitments, the education of their children and financial considerations.

Now, however, the economic situation is seen as such that some staff show active willingness to seek employment further afield and movement is thus

becoming a more acceptable way of life. Company reorganisation has also been a spur to increased staff mobility, as have policies of decentralisation, particularly in development areas and new towns.

Of the companies surveyed by the BIM, a majority said that outright refusal by an employee to accept a transfer would prejudice future career prospects, with dismissal or redundancy being the final outcome in some cases.

Employers have a legal right

to transfer employees if their contract requires them to be mobile as a condition of employment, or if the change in the location is so slight that it would not constitute a material change to the contract of employment.

Virtually all the companies studied had a policy of refunding a large part of unavoidable costs incurred in relocation. And 82 per cent said they assisted new employees moving, particularly when trying to attract senior or scarce staff.

A quarter helped existing employees moving house, but not their job, or who were alternatively transferring at their own request.

Over three-quarters of the companies surveyed provided bridging loans, with just under a half imposing no limit. Many companies did not charge interest and all required repayment of a loan on completion of a purchase, or imposed a time limit.

Varying procedures were adopted by companies offering

preferential rates on loans. Normally, loans were restricted to married employees or those who were already house-owners. Careful checks were made on an employee's ability to repay a loan and the market value of a property. They obtained details of mortgage agreements, and required employees to complete an agreement setting out the terms for repaying a loan.

If employees were moved from low to high cost housing areas, less than half the companies helped by paying an ex-

cess rent allowance or providing a loan or attempting to cover the increase through a salary increase.

Legal and other fees were usually paid in full "as long as they are reasonable," and disturbance allowances were also usually paid in lump sums ranging from £350 to £1,700 although these are taxed.

Transferring Employees — Policy and practice in the UK. Management Survey Report No. 43, available from the BIM, Publication Sales, Management House, Parker Street, London WC2B 5PT, price 25 to members and £12 to others.

Nicholas Leslie

Benefit of cost analysis

The Principles of Practical Cost-Benefit Analysis; Robert Sadgen and Alan Williams; OUP, £4.50.

IN THE nationalised industries methods of making effective decisions based on cost benefit analysis are often similar to those in private industry, and decision makers in both sectors are expected to operate according to normal commercial principles. But for public servants — say in the police force, the NHS and the DES — it can be much more difficult.

Assuming the civil servant is completely clear about the ends he should pursue he still requires a method of analysis for evaluating the best way of implementing policy objectives on any given project.

With the aid of a wealth of individual examples this book takes the reader step by step through a financial and social methodology — the principles of practical cost-benefit analysis — that should better enable the public servant to make cost effective decisions

Technical News

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

Eyes on the clock

ELECTRONIC CLOCKING-IN stations and a controlling micro-computer form the heart of a centralised timekeeping system offered by General Engineering and Trading, Antwerpsebaan 91, 2150 Oostmalle, Belgium.

Each employee is issued with a plastic card in which his identity is held on an internal lamination with non-magnetic non-ferrous elements that can be read by the terminals.

An unlimited number of card-reading terminals can be employed at entrances and other key points in a building. Each consists of an illuminated display providing time data to the employee and a slot in which to insert the card. There are no other controls.

The employee simply inserts the card one way up or the other, depending on whether he is entering or leaving. Beyond 300 employees cassette or floppy disc memory is used; below, solid state elements are employed.

Normally, time is displayed on the terminal (24 hour basis); when a card is inserted the card's number is shown together with consecutive hours worked, or the difference between actual hours worked and standard hours.

Flexibility yielded by the micro allows the equipment to be used either on a standard hours/over-time basis or for flexible working hours. Applications

will also occur in production control and other forms of industrial timekeeping.

The same card could, says the company, be used for car park entry, access control, staff restaurant debiting and staff functions by employing keyboard terminals.

Robots move ahead

IT HAS been forecast that British industry will purchase as many industrial robots during this year as at present make up the UK robot population.

The largest display of industrial robots ever held in the UK — with more than 20 different types on view — will form part of an exhibition and conference to be held at the University of Nottingham, March 27-30 next.

Robots '79 offers visitors an opportunity to witness, at first hand, the high level of flexibility and reliability industrial robots are bringing to production processes; covering applications in packaging, air welding, plastics industry, die casting and other areas.

Attendance at the conference is limited to 250 and early registration is essential, says the British Robot Association, 39 High Street, Kempston, Bedford MK42 7BT (0234-853605).

COMMUNICATION

Calling staff on the move

RADIO and inductive loop paging equipment with an exceptional number of standard facilities has been introduced by Multitone. Access 80 will provide offices, industrial plants, hospitals, hotels and other establishments with a fast, easy-to-operate and highly reliable paging service.

Two sizes are the "Midi" with a capacity of 22 pagers and the "Maxi," accommodating up to 100. A wide choice of receivers and transmitters can be supplied for use with the system, depending on user requirements. Options include one-way speech, enabling pager users to obtain a verbal message following an alert, and two-way speech (using Pagephone transceivers), which allows conversation between the called person and the operator.

Three different alert tones can be initiated from the keyboard of the controller to indicate the origin and urgency of a call. A fourth distinctive alert tone is reserved for "group alert." This facility enables teams to be instantly alerted in emergency situations, such as in hospitals to summon cardiac arrest teams and in industry to mobilise maintenance, security or fire-fighting personnel.

The new system also has a call transfer facility, which enables calls for one pager to be auto-



The simple keyboard on the left can control as many as 100 pages in many different ways.

matically transferred to another pager. This is particularly useful when a user is at a meeting or is absent from his workplace and wishes another to handle his calls.

With Access 80, if a pager holder leaves the site he can register his absence. The operator is thus able to inform a caller immediately if the pager holder is unavailable. In systems with telephone access, the caller hears a special tone when paging an "absent" number.

Facilities are provided to enable a pager to be called by means of remote push-buttons. There are three types of remote input: two can be used to call a pre-determined pager and the other to call a "group alert"

team. Applications include nurse call systems, night bells at hotels and alarms on production and process equipment.

The control unit is for desk use and its keys have long life with 10m operations expected.

An easy-to-read LED display confirms the nature and accuracy of an entry and also provides the operator with information on absence registration and call transfer files.

Where speech is required, a built-in microphone can be supplied or an external microphone can be used, plugged into the DIN socket provided as standard. Telephone coupling is achieved by means of an optional board in the controller and an access relay unit. Up to

three controllers can also be used to make up a parallel coupled Access 80 system to provide extra capacity.

Meanwhile, Multitone has announced a further £1m contract from the PO for 10,000 area-wide receivers of the EB111C type. This will bring the total number of Multitone units in the London Radio-paging service of the PO to nearly 30,000 over the next several months.

Multitone is on the eve of announcing a further big export contract — an award won against fierce international competition. Further from Multitone Electric Company, 6-29 Underwood Street, London N1 7JT (01-253 7611).

COMPUTING

Micros show what they can do

EDUCATORS responsible for introducing microelectronics to the rising generation, personal computer enthusiasts, and users, will have an opportunity of bringing their interest up-to-date with the three-day conference and exhibition, Microsystems 79, opening this week in London.

Visitors' and delegates' interests will range over archaeology, medicine, transport, manufacture, food supply

Lovell

for construction 01-9951313

and mining, to defence, research, and many other disciplines, say the organisers of the show, which runs from January 31 to February 2, at the West Centre Hotel, Lillie Road, London SW6.

Nerve centre in business

WEIGHING only 65 lb and designed and developed by a team headed by George Comstock, founder and former president of the Xerox printer subsidiary Diablo Systems Inc, Durango is a business accounting microcomputer for small businesses and the distributed data processing terminal market. Price is £7,500.

Durango combines into one unit 48k central processing, two random access mini-floppy drives with a total of almost 1m characters of memory, a 1920-character VDU, a keyboard and a 166-character bidirectional printer capable of a higher quality of finished print than is at present usually provided.

Accounting packages are available, and the machine should be of particular interest to DEC and DG systems houses and users because its BASIC is very similar.

The design team, which was also responsible for producing

the first daisywheel printer, has reduced the number of moving parts needed for Durango to just eight — 40 per cent fewer than in comparable systems. At the same time, the team cut down the number of printed circuit boards needed from the usual 15 to four. Such design advances, besides making a compact and lightweight shape possible, virtually eliminate the mechanical failure problems that cause most computer breakdowns today, and make the machine one of the most reliable to reach the market. It needs less than half the power of conventional computer systems — a capability that has permitted the inclusion of a limited stand-by power unit within the machine so that it can finish any run it is engaged on if a power failure occurs.

Computer Ancillaries, 64 High Street, Egham, Surrey, Egham 6455.

Digital's desk-top drive

ACTING EITHER as an intelligent network "node" for large corporations or a stand-alone computer system for small companies, Digital Equipment's Datasystem 150 uses a dual-drive flexible disc unit for storage of up to 512,000 characters of data. The disc and LSI-II central processor are contained in a small cabinet that may be placed on top of the workstation/desk adjacent to the system's VT100 terminal.

The system runs under CTS-300 (Commercial Transaction System-300) operating software, permitting processing of business applications such as payroll, accounts payable and receivable, general ledger and inventory in high-level DIBOL (Digital Business-Oriented Language).

CTS-300 offers sequential, indexed sequential, and random file access methods. D150 programs will also run on Digital Equipment's D320 and D350 computers, the multi-terminal

members of the family that are capable of supporting of up to eight terminals.

The new system uses the recently introduced VT100 video terminal as the principal data entry and access device. The VT100 displays upper and lower case characters in a 7 x 9 dot matrix in three sizes — normal, double width, and double height. Reverse video and underlining can be selected on a character-by-character basis.

These five new machines from DEC are seen by a number of market observers as that company's answer to the many "desk-top" systems now being offered by a host of entrepreneurs who can select any one of a number of powerful microcomputers as the heart of a commercial or scientific system which draws on the best peripherals available in the industry.

Digital Equipment Company, Kings Road, Reading, Berks.

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SERVICES

Making sure heaters are safe

BECAUSE MANY households still contain air heaters which are old, unreliable, expensive to run, or simply not providing enough winter comfort, there is presently a great deal of replacement and upgrading of appliances being carried out by local authorities or private installers.

Published in order to advise and assist installers is an illustrated booklet which deals with siting of registers, air distribution planning, ducting sizes, system balancing, etc. It also includes a job survey sheet with a 17-item check list. Free to Confederation of

Registered Gas Installers members, plumbing, heating and gas industries, local authorities, surveyors, etc. from Johnson & Starley, Rotherhithe Crescent, Northampton NN4 9JF (Northampton 62981) or at a cost of £1 for non-trade personnel.

PACKAGING

Fills with difficult materials

TWIN-HEAD bag filling/weighting equipment capable of handling difficult-flow materials is offered by Accrapak Systems, of Risley, Warrington. Designed for valve-sack packaging duties, this machine will make its exhibi-

tion debut in March at Powtech 79.

Operation of the new machine is on the gravity principle, supplemented by power-assisted material feeding at the bagging heads. Powder supply to the heads is by way of a reciprocating feeder chute, with automatic changeover of material delivery at the pre-determined contents weight. To assist the flow of difficult powders into valve sacks, small screw feeders have been incorporated in the two bagging heads.

Weighting of valve-sack contents is achieved with a system of dead weights which can be quickly changed to deliver any desired quantity of material. For easy handling of valve sacks, the two bagging heads are equipped with a swivel base support and snap-action clamping.

Accrapak Systems, Taylor Industrial Estate, Risley, Warrington, WA3 6BL. Culcheth 4994.

THE ARTS

Ronnie Scott's

Carrie Smith

Singer Carrie Smith is a striking, statuesque Negro...

Her roots are deep in Gospel music and the blues but, as she is proving during her present stay at Ronnie Scott's...

Last Friday it was clearly hard work singing even the blues for she was faced by an audience of unquenchable and monumental boorishness...

KEVIN HENRIQUES

Hayward Gallery

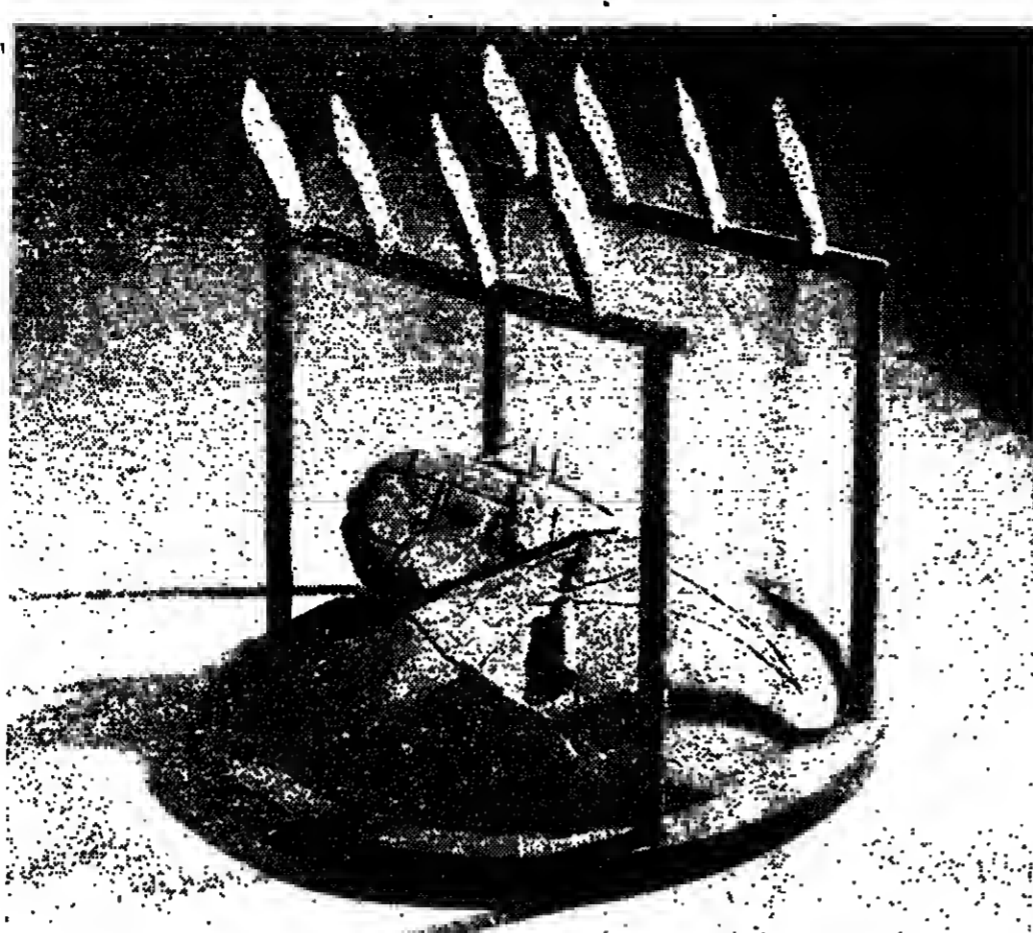
Hubert Dalwood

by WILLIAM PACKER

The Memorial Show is not usually a cheerful affair and especially not if its subject is the work of an old friend...

His little joke with the weather notwithstanding, however, and all misgiving happily set aside, the event proves to be much more a celebration than a wake...

The show at the Hayward (until March 4, and then on to Edinburgh, Leeds, Rochdale and Newport) is small but comprehensive, well set out and extremely well chosen...



"Landscape IV" by Hubert Dalwood

sensibility, is made strikingly obvious. Dalwood was always emphatically his own man, but intelligently responsive, nevertheless, to the current activity among his peers...

figurative sculptors of the 'fifties, the images lumpen and freely modelled, active, and often cheerfully theatrical. But soon the figures fall away, to be replaced by a human presence signified somewhat more

ambiguously, by association and suggestion, his totems and votive objects shot through with magic, numinous, sacerdotal virtue. And the aura of the temple and the sacred grove continues to haunt the work, though it



Joe Brown

Astoria

Oh Boy!

by ANTONY THORNCROFT

Over 20 years ago now Jack Good carved his small but indelible niche in the framework of pop by launching on an unprepared world 'Oh Boy!', a television show which in its pace, rapid cross-cutting of camera, and aggression was a complete breakthrough...

Now Jack Good has returned from his American retreat to stage 'Oh Boy!' at the Astoria for three successive Sundays with the chance of a more permanent exposure. Some of the artists of the early days are on stage, along with some fresh faces, and most of the cast of 'Astoria' which occupies the Astoria for the rest of the week...

After an attempt at scene setting—a studio producer once setting the scene for the recording of the 'Oh Boy' transmission on January 14, 1959—it is non-stop music—over 80 songs in two hours. Somehow the artists manage to be at the right mike at the right time and usually at the spotlight reaches, them eventually. But this is more of song than a singer show—you

just lie back and let the sounds, mostly still familiar, occasionally long forgotten, wait over you.

They are all there and with a scrupulous attention to the lore of the period few attempts are made to include good songs written after 1959. Even so a haul which includes the big bits of Elvis, the Everlyes, Gene Vincent, Little Richard and the rest is virtually unbeatable. And the singers who managed to stay alive (the back projection was constantly flashing images of the many who failed to grow old) have survived as vigorously as the songs. Here is Joe Brown with his (older) Brothers, still grinning away like a maniac; Alvin Stardust, stylishly sinister, and Les Gray younger, but hardly slimmer. While this trio just enjoys itself, the aspiring Shakin' Stevens still looks as if he means it, and there is some outrageous scene stealing from Richard Piper, as he impersonates in turn Wee Willie Harris and Little Richard.

As suits the late '50s the girls are kept well in their place, allowed on stage to flounce a bit, and given the odd chorus, but this is still a man's world, idyllically innocent, safe and certain and with youthful joy flowing through the music. It might be as fragile as consuming a meringue but is just as pleasant, and when the audience links its enthusiasm to that of the cast a lively experience is guaranteed.

Stoppard wins Shakespeare Prize

The Anglo-German Jury of the F.V.S. Foundation of Hamburg has announced the award of the Shakespeare Prize for 1979 to Tom Stoppard...

of the most valuable and distinguished international cultural prizes. In addition to the honour of the prize, there is a cash award of DM 25,000 (approximately £8,750) and a scholarship of DM 7,200 (approximately £1,950) for one year's study at a university in the German Federal Republic. The prize-winner has the right to select the scholar concerned.

Elizabeth Hall

Mozart's birthday

by DAVID MURRAY

Mozart's birthday is also Nina Milikina's, and she was thus a doubly suitable partner for Sir Clifford Curzon in the music for two pianists which occupied half of Saturday's concert. The occasion was not merely commemorative, but charitable, in aid of the Cystic Fibrosis Research Trust. The rest of the programme consisted of the 33rd and 38th Symphonies, with John Eliot Gardiner conducting the Monteverdi Orchestra (with that seasoned Mozartean Emanuel Hurwitz as guest leader). The latter Symphony, the "Prague", struck me as the greatest success of the evening: there is a demonic current in the work which the conductor kept forcefully in the centre—perceptible even in an uncommonly deliberate Andante. He pressed his

players hard and excitingly in the final Presto, with a resultant urgency that took the music far away from any lightweight Rondo-model.

The B-Flat Symphony that began the concert had much of the same sharp, nervy quality, though it was a little less tidily executed. Again Gardiner secured extremely articulate playing, especially from his violins; and he has a sense of the wind band as a separate entity, not mere reinforcement for the strings, which made itself felt strikingly and often, both here and in the "Prague" Symphony. Many Mozartean touches in the scoring surfaced vividly. The sturdy orchestral backing given to the pianists in the Concerto K.365 had a different and rounder sound, heightening the amiable view of the work they took. If Curzon was

quite evidently the senior partner he sustained the role discreetly, without prejudice to the even-handed balance Mozart contrived between the piano parts. He and Miss Milikina tripped elegantly through the piece, emphasising its Rococo elaboration rather than its robust humours.

In the splendid D major Sonata the pianists were delicate to a fault. The Elegiac spirit and the Andante (rather an Adagio here, nocturnal and wistful) were irresistibly charming as always, but the breathless pianissimo lavished on the Allegro molto was not to be believed: it sounded disconcertingly like Mendelssohn, and very much at odds with the texture of the writing. There was no lack of lacy glitter, but energetic brilliance is more likely what was expected.

Dome, Brighton

Brighton Philharmonic

Not merely a new work but the manner of presenting it lent a special interest to Sunday's concert in the regular series of the Brighton Philharmonic Orchestra. The work, commissioned with public funds from South East Arts, was a Sinfonia by Sebastian Forbes (born 1941), who teaches in the music department of the neighbouring University of Sussex.

The conductor was John Carewe, to whom the piece is dedicated. As the orchestra's musical director, he must be gratified that the new music did not perform its usual disincarnate function of turning away patrons. Thanks no doubt to Bach, Elgar, and the radiant reputation of Kyung-Wha Chung, the Dome was full. Before the new work, Mr. Carewe gave the audience a schoolmasterly pep talk, not only illustrating the piece by brief orchestral extracts, but defending the whole necessity to play modern works and inviting the audience at least to give the

piece some definite reaction—even shouting "Bravo" or "Rubbish" if so inclined. Although Mr. Carewe is a devoted champion of new music, his defensive and indeed pug-nacious stance left me slightly uneasy, particularly after someone did shout "Boring!" as soon as the music ended. But a further test is necessary. Second performances being even more important than firsts, it becomes Mr. Carewe's duty to insist on programming the piece next season as well.

Mr. Forbes's piece was, in fact, shorter (13 minutes) than the conductor's introduction. It shows a resourceful working-out of varied but rather elusive themes. I found myself moderately interested, no more. But a further performance, with more rehearsal, would probably bring out contrasts of dynamics and articulation that would strengthen the whole structure as the audience receives it.

Radio 3/Duisburg

Two Angels in Babylon

The first performance of Rudolf Kelterborn's third opera, Ein Engel kommt nach Babylon, which took place at Zurich in June 1977, was re-broadcast on BBC Radio 3 last Thursday. Having recently heard the work at Duisburg I tried to discover how much of the opera's undoubted success in the theatre depends on the music, and how much on Georg Reinhardt's imaginative production for the Deutsche Oper am Rhein. Friedrich Dürrenmatt's text, adapted by the author for his play, certainly cries out for music, although one of the chief characters, the heggar Akki, speaks more often than he sings. This third dimension makes it even more difficult to apportion praise or responsibility.

The Angel descends to earth dressed as a beggar to give the beautiful young girl Kurrubi, a "blessing from heaven," to the humblest and poorest of men. According to the Angel's informant Akki, last remaining beggar in Babylon, where beggars have been proscribed by King Nebuchadnezzar, is the

man. But the King himself, disguised as a beggar from Nineveh, proves so incompetent at the trade that he is awarded Kurrubi. Unfortunately she loves him only as a heggar, while he loves her in the person of Nebuchadnezzar. Kurrubi, a liability despite her beauty, is given to the Hangman; that post is now filled by Akki, who has exchanged occupations with the former holder.

Kelterborn's score, always dramatically apt, is transcendent in texture, especially for the Angel, a high tenor too intoxicated with the wonder of the earth to worry about poor Kurrubi, a being who "has danced beside God wrapped in the white clouds of the Andromeda nebulae." Ursula Reinhardt-Kiss, who sings Kurrubi in both productions, convincingly expresses her initial bewilderment and her love for the heggar from Nineveh, which is transferred to Akki once she discovers the former's identity. On the radio Wolfgang Reichmann's dark-coloured bass gives little

players from London and usually (not on this occasion) on a single rehearsal. Reasonably high standards, but not the highest, were to be expected. The work was displayed, Mr. Carewe had opened the programme with Bach's Suite No. 3 in a curiously old-fashioned style—by which I mean not Bach's style but that of one or two generations ago, lacking a keyboard continuo instrument, deficient in double-dotting, and rather dull as well, with some disturbing amudges from the trumpets.

Dullness, however, is a word utterly absent from Kyung-Wha Chung's musical vocabulary. Her mastery playing of Elgar's Violin Concerto was heroic and tender by turns, exactly as it should be. As a preparation for her initial, very deliberate entry, Mr. Carewe's pace in the orchestral opening was a shade too fast, but afterwards it settled into a gripping performance.

ARTHUR JACOBS

Festival Hall

Barenboim

by DOMINIC GILL

Barenboim's is a massive, maddening genius. His gifts are large and impressive enough to make the most tentative reservation seem petty, ungenerous. He is good—sensationally good—at what he does, and yet so high is our expectation of his talent that it is rare these days to leave out into Arbors, Groves and Gardens, gently surrealistic in the play they make on images of trees and clouds, and the experience of landscape. The reference is wide, from Mexico to Japan and back to Europe, to the city squares of Giacomini.

The last works of all, the small group of landscapes in terrazzo, that looks for all the world like terra-cotta, are exceptionally beautiful, full of happy wistful invention, and at the last an easy and sure command of image and material. And we realise that Dalwood was a romantic, of a kind peculiar to himself perhaps, wayward and idiosyncratic, but a romantic all the same. Norbert Lynton, in his sensitive and perceptive appreciation in the catalogue, jibe rather at the term, feeling it to be over-specific and somewhat prejudicial; and yet, in the end, he too must accept it reluctantly, faute de mieux. We may respect the Professor's scruples without sharing them entirely; he is happier with high-spirited for a general epithet, which makes excellent sense.

A certain sadness pervades the show, however, which is not at all a quality of the work itself. Rather it is to do with the circumstances of the artist, and the certain knowledge we now enjoy that we, as a society, wasted Nils Dalwood's considerable gifts. He died in debt, with many of his larger works unrealised or broken up, the kind of commission he sought that would allow him to work directly with the landscape, in the manner rather of the sculptor-gardeners of the east, coming to him at last, and too late, only from abroad. One of the very best artists of his generation, a man who could have civilised and enlightened our cities, and fired our imaginations, has no monument at home. We pay our respects, as we should, and we miss him; but it is too late.

We have heard surprisingly little of Liszt's music from Barenboim. But his performance of the B minor sonata, of his second half, was vivid confirmation of my long-held suspicion that he could be a very great Lisztian pianist indeed. His view of the piece was grand and broadly lyrical—every section as broad indeed as it could be without seeming over-stretched, beguilingly sonorous, and alive with brilliant energy. Every measure spoke with fire and fervour; there was not, anywhere, a moment's hesitation—the music grew to its climax, and subsided, sustained superbly in a single spate. These quibbles: it was disappointing to hear Barenboim turn the famous quaver triplet motif into one quaver and two semi-quavers—a common cheat unworthy of the rest of the performance. There was a tendency, mildly unbalancing, always to allow the right hand to dictate the phrasing, even where the left hand should—on the last page of the sonata the sotto voce left-hand ostinato had to wait around while the right hand tried to "phrase" the accompanying chords. And there were more different tempos in the first ten bars of the fugato than even Schnabel could have dreamed up—wasn't a tempo giusto much more effective? But quibbles they are. It was, in all, a magnificent concert, capped by a pair of sizzling Liszt encores: not the tidiest performance of Au bord d'une source by any means, but one of the most exhilarating, and passionately proposed that one be heard for many years; and a Bigotetto paraphrase that had us on the edge of our seats, superb in its confidence, dramatic timing, and technical ease.

Barenboim is a master of piano sonority; the six Schubert Moments musicaux with which he opened his programme were each of them magical studies in balance and voicing, exquisitely poised. But some of the more intimate end delicate gestures escaped him nonetheless, tiny blurred details of an otherwise commanding performance—the rhythms of the "trio" of No. 4, oddly deliberate, uneasy; a blandness under the surface smoothness of No. 2, the last Moment musical, one of the most tragic of all Schubert's piano pieces, in Barenboim's hands no more than an elegant serenade, not the beatrice in its anguished suspensions.

It was this most intimate Schubertian accent that one also missed in parts of the C minor sonata: in the adagio especially, delivered with marvellous facility, and in its own way with the greatest refinement, but without mystery or melancholy—almost as if Barenboim were impatient with a fundamental aspect of the music, an essential unsmiling Schubertian wistfulness, wherever it appeared. But there were irresistible things in the performance too: a big dramatic impetus, bright and unflagging; contrapuntal filigree of the finest working; and everywhere a powerful sense of proportion and right emphasis.

New Ayckbourn play

Joking Apart, Alan Ayckbourn's latest comedy, starring Alison Steadman and Christopher Cazenove, will open at the Globe Theatre on March 7. Ayckbourn's comedy Ten Times Table closes at the Globe on March 3 after a year's run.



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says Actor Manager Brian Rix, C.B.E.

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Contracts for service

THE LATEST phase in our winter labour disorders raises issues which, as Mrs. Thatcher has already noted, are radically different from those disputes of recent weeks.

The disputes suggest conclusions which are uncomfortable, but must be faced. In the present state of discipline among "organised" labour, incomes policies are only likely to be tolerated in any effective form during what is perceived as a national crisis.

The real issue is discipline at least as much as inflation. Where the unions are not prepared to discipline their more disorderly members—and more do try to do so—we may have to face a long struggle of attrition, while market forces, and perhaps some legal or social security changes take effect.

Public opinion is readier than before for such a struggle.

However, there are situations in which the cost of facing such disorders, in human as well as economic terms, is simply intolerable. These are the services which are essential to the life of the economy, or to reasonably civilised life—law and order, the fire service, emergency health services, water and sewerage, and perhaps a few more.

Here both the Opposition and the Government are beginning to question whether normal industrial relations, including the right to strike, can be continued in these services in the British context.

Unless industrial self-discipline is reasserted with quite improbable speed, the answer must surely be that these services should somehow be placed apart. Once this principle is conceded, the rest follows on lines suggested by the firemen's dispute. The right to a wholly reliable service may have to be bought through a fairly expensive pay review, and some guarantee of future real wages.

Comparability and indexation are, of course, the battle cries of everyone in the public services, and it would not be easy to concede the principle to one "essential" group while with-

holding it from those with weaker bargaining power. However, in the context of general disorder in the private sector, with settlements which will certainly reduce job opportunities for some of those involved, the movement of private sector wages is not an appropriate yardstick for those in more secure employment.

The public service as a whole is now far too large to be treated as a special case on such terms. Indeed, even in the most essential services, where some of the present bitterness is due to the fact that pay has lagged, in spite of or even because of past incomes policies, bargaining cannot be conducted in an economic vacuum. Low pay commonly buys a low standard of service. A radical pay review should buy a correspondingly improved service.

In short, for those groups where a guarantee of service is essential, a decent level of wages, indexed for the future to some appropriate measure of private wages, might be appropriate, but should also involve a reasonable economy in manning.

Both pay and manning adjustments would probably have to be made over a period. For the rest of the public services, such gains might be negotiable over a period for groups prepared to offer a guarantee of uninterrupted service, just as some private employers have long been prepared to offer substantial bonuses for discipline. However, it is a sad comment on the success of militancy that such gains, even where negotiated, tend to be rejected on the shop floor.

For the bulk of public services and industries, where labour relations remain "normal" by British standards, the right approach must be more cautious. "Comparability" begs too many questions about status, quite apart from the problem of putting a money value on job security. The ease or difficulty of filling vacancies is the market test of pay adequacy, and should be given due weight and continued pressure for efficient manning standards is economically essential. This approach may mean continued conflict; but British labour relations do no offer easy solutions.

Talks on talks in Korea

MOVES TOWARDS Sino-U.S. rapprochement have a habit of finding an echo in the Korean Peninsula. In 1972 President Nixon's trip to Peking was followed by North and South Korea starting talks. Now Deputy Premier Deng Xiaoping's visit to Washington is being accompanied by renewed talk about revisiting the talks. And both sides say they aim for the unification of the 50m Koreans.

"At any time, at any place and at any level," South Korea's President Park Chung-hee said ten days ago when he suggested meeting the North Koreans. It was a striking offer made at a striking time. Yet it was less original than it seemed. The two sides have long paid lip service to negotiations. Last June, for instance, President Park replied to a call from the north for increased co-operation by suggesting talks on trade and technical agreements. And last September, Pyongyang radio says "the great leader Comrade Kim Il-sung again made it clear that we held open the door of dialogue."

Inevitably the two embattled Koreas have had to move with the times. Created by foreign intervention they have survived in part on foreign goodwill. North Korea has found it the harder battle and has long been defaulting on its debts. Apparently the only country in the world to have a mutual defence treaty with both the Soviet Union and China it long balanced the two against each other. As the gulf between Moscow and Peking has widened, Pyongyang has found this an increasingly hard game to play. Recently it has bowed to the reality of having a common border with China and openly came out on China's side.

A series of visits last year by Chinese officials including Premier Hua Guofang, has contributed to North Korea joining Peking in condemning the Vietnamese backed "liberation" of Kampuchea. But massively dependent on the Soviet Union for its armaments and increasingly looking to Eastern Europe for the technology it requires for its development, North Korea is not in a position to break completely its links with its long-time ally. At least some part of the former balance has thus to be maintained.

South Korea, too, has its problems. The latest U.S. intelligence reports claim that North

Korea has ten more army divisions and more tanks than previously believed. The threatened U.S. withdrawal of 26,000 ground troops has now been put back to the Greek kalends—only 3,000 have been withdrawn so far and in the meantime the 16,000 U.S. airforce personnel have had their equipment boosted. But none the less South Korea is somewhat jittery, not least because of the increasingly close links between North Korea and Japan's main opposition party.

The economic arguments for reunifying the peninsula are less strong than they were when South Korea was little but an agricultural community and North Korea contained most of the peninsula's industry and minerals. But none the less there are of course all the bitternesses of the past and the contradictions between a capitalist and a Communist economy.

Indeed the two sides are both obviously seeking very different things in talking of talks. South Korea, predictably using American terminology, looks for a step-by-step approach, for confidence-building measures and for a gradual approach aimed at reaching a situation similar to the two Germans.

It would have unification at the end of a long road, but North Korea wants it as part of an overall deal which would include the reduction of military forces by both sides and the removal of U.S. troops. It also calls for a "whole nation conference" which would include all parties in the South, including the communists and many of the politicians imprisoned by President Park. For the South this is less skin to politics than a propaganda battle.

Thus inevitable The gulf in other words, remains. An indication of the problems still to be overcome came at a meeting which took place between the two countries on the same day as President Park's "any time" offer. It was the 45th meeting of the secretaries of the Military Armistice Commission and it saw North Korea protesting the "ceaseless military provocations" of "the South Korean puppet clique." But with China and the U.S. moving closer neither is likely to relish the idea of trouble in Korea. Talks between the two sides are thus inevitable, even if today they seem premature.

Extracting coal without miners . . . but watch the capital cost

By DAVID FISHLOCK, Science Editor

THE distinguishing visible feature of the coalfield of the future, beyond AD 2000, may be a mobile "gasworks" a chemical plant which travels slowly across the terrain. At least such is the view of a physicist recently recruited by the British National Coal Board to set up a "think tank" for the future of coalmining. The chemical plant may be processing a gas synthesised in the coal seam itself, or a solvent-saturated with "coal substance," conceivably even a slurry of microbes sated by feeding on coal.

The task the Coal Board has given to Dr Alan Bailey, a former government physicist, is to work out an economic way of mining coal with little or no help from traditional coalminers. This is a challenge which has tantalised British mining engineers for several decades, not least because it could be the best way of eliminating 50 deaths, 500 serious injuries, and hundreds of new cases of "dust disease" a year. It is a tough one to tackle, not only because miners themselves show little enthusiasm for being displaced but also because of the form and distribution of coal in Britain.

The average coal seam in Britain's abundant reserves is less than 5 feet thick—it may be as thin as 2 feet—and lies at a depth of 1,500 feet. British mines are on average about 70 years old. At the rate Britain is mining coal the average depth at which miners are working will increase by 300 feet every 10 years. As depth increases the mine becomes hotter, the rock more highly

stressed, and the seam extends more natural gas, making the working environment more unpleasant and dangerous. Nevertheless, at the rate of 150m. tonnes extracted per year, proven reserves could suffice for as long as 300 years—much longer if reserves at depths beyond 4,000 feet (about 1,200 metres) inaccessible to mining at present, could somehow also be exploited.

Dr Bailey's task, as head of the advanced mining evaluation unit, is to take a report prepared at the NCB's Mining Research and Development Establishment at Bretby near Burton-on-Trent two years ago on novel mining ideas, and help the Board eventually to choose one among them to invest in for the next century. The report, prepared by a committee of senior Coal Board scientists under the chairmanship of Dr Ivor Evans, Bretby's deputy director responsible for mining sciences, contains a remarkable collection of ideas which might serve to extract coal without miners. Dr Bailey's targets are to whittle them down to perhaps three or four of real promise in the next two years, and to set up a pilot trial in about five years' time.

The yardstick against which decisions will be taken, however, must be the advanced mining technology on which the NCB expects to depend for the next two decades. This is a method of cutting coal mechanically in "bacon slices" up to 200 yards long, using as much electronic control as the system will allow. This is the technique which will be used in the new mine at Selby, and later to exploit the

rich seam beneath the Vale of Belvoir.

The NCB has been developing the automatic monitoring of the miner's working environment and remote control of coal clearance—the process of conveying it away from the face—since the early 1960s. It started with time-honoured electro-mechanical systems. In the mid-1960s its engineers suffered a severe setback with what was intended to be the world's first remotely operated pit. The technology of Bevercoats was too unreliable, and the miners themselves unpersuaded. Finally the venture came to an end because of an unforeseen geological fault.

A wiser NCB returned to the challenge about five years ago. The newly appointed director at Bretby—a mining engineer, Mr. Peter Tregelles—discovered that his laboratories had already developed the ingredients of a more advanced system of automation called Minos—an acronym for mine operating system. Minos is a family of electronic systems for automating the control of the key facets of a coalmine—environment, coal clearance, coal washing, etc. Mr. Tregelles set about organising full-scale demonstrations of each application of Minos, at coalmines of different shapes, sizes and ages round the UK. The capital cost of these demonstrations is met from his £15m research budget.

What Minos, unlike its forerunners, offers is a common system for all mines of computers, peripherals, programs, etc. All applications conform to common standards of safety, reliability and performance.

The ultimate goal is to tie most if not all the facets of Minos in a given mine into a single integrated system automating the mine. Such a mine—it will probably be a new one, planned for Minos from the start—will have one main computer operating through many local microcomputers and microprocessors. It will be rather like automating an entire underground city.

The closest yet to the integrated system—albeit still far off—is Bagworth Colliery, 17 miles from Bretby, where the computer has taken control of all transportation of coal for the past four years. Minos itself, introduced in 1977, has now taken control of 27 plant items—perhaps 20 per cent of operations at Bagworth. Today it is a highly productive mine cutting more than double the national average per man. It enjoys excellent rapport between Bretby's technologists and the management. "We get the advantage of having the newest though we have the hassle of having to try it," one manager says.

Difficult sector

Other mines have been used as testbeds for other facets of Minos: coal preparation, environmental monitoring (e.g. for methane, ventilation, etc.). At Bagworth two more facets are soon to be tested, the control of pumps and control of the coalface itself. The coalface is the really big challenge for Bretby, not only because it is intrinsically very difficult to automate the coal cutting operation, but because it is the most difficult sector in which to win safety approval from the mining inspectors.

The machine that Bretby is automating for coal cutting is the Anderton shearer-loader, invented by a Coal Board engineer, Mr. John Anderton, and first demonstrated successfully over 25 years ago. The NCB owns about 3,000 today, costing up to £200,000 each. To automate this machine Bretby envisages an array of electronic systems analogous to the avionics of a modern aircraft, so that it always knows where it is and where it is going in the coal seam. This means knowing how far it is from the roof—the rock overlying the seam. It means knowing that it is steering a path straight and level along the coalface. It means knowing what lies ahead in the seam—coal, shale, rock, water, etc. It even means having advance warning of any deterioration in its own performance so that serious breakdown of a major investment might be prevented.

A major part of Bretby's scientific programme is the



development of sensors and their associated microprocessors to 'pull' this kind of information from the coalface. For example, the researchers are working with Marconi Space and Defence Systems on an advanced concept of steering called the Autosurveyor. It uses infrared rays bounced off reflectors along the coalface to compute precisely where it is. It also has a new sensor which can compute from the gamma rays emitted naturally by overlying rock just how far the machine is from the roof of the seam. Peter Tregelles has no doubts that the NCB leads the world today in developing automatic guidance of coalcutting machines.

At Bagworth Colliery the management believes that within another year or so it will have a demonstration of Minos partially controlling the coalface. But it will not be complete automation of the Anderton shearer-loader. This task will take much longer—if indeed it is ever technically possible.

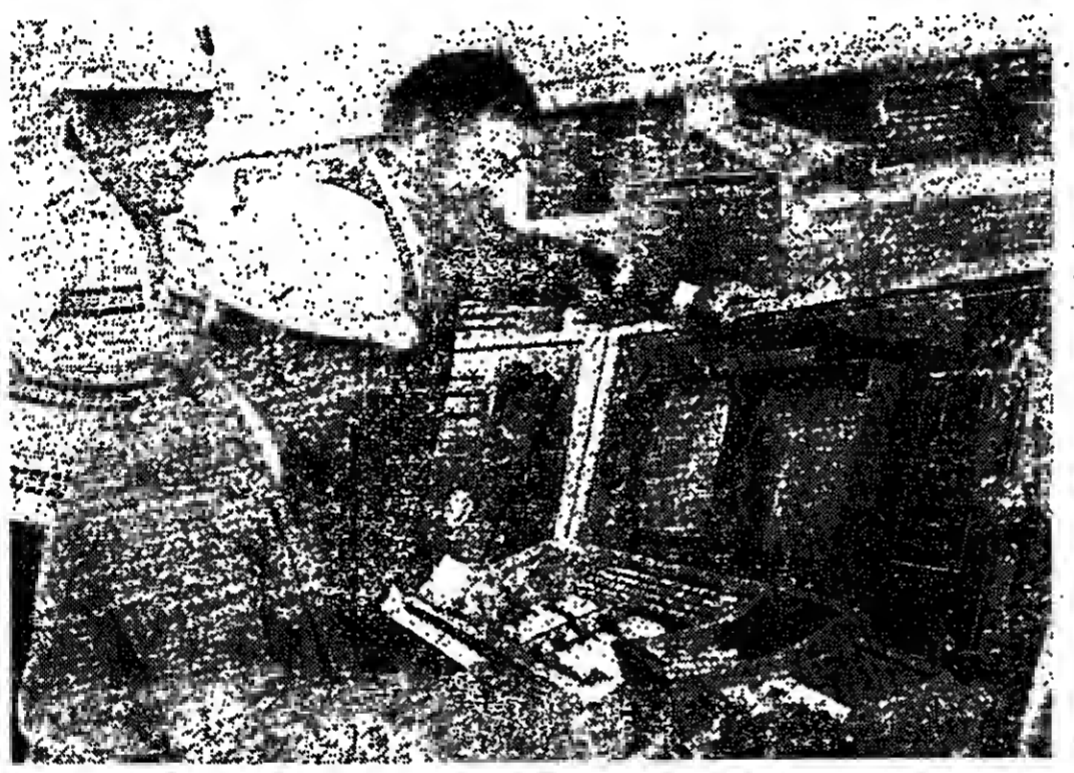
Minos has been adopted in principle by the NCB as the way ahead for Britain's coalmines for at least another two decades. Four main suppliers have been selected for the Minos data transmission systems which are associated with the American DEC (Digital Equipment Corporation) main computer. These four are Hawker Siddeley Dynamics Engineering, Hunwood, Transmission and Westinghouse-Brake and Signal Company. Purchases of Minos demonstrations have been rising steadily—five in 1978, eight in 1977, 15 last year. The NCB estimates that so far it has spent about £11m equipping its mines with Minos.

But Mr. John Mills, Board member for mining, points out that the case for installing Minos "must now be made, by individual colliery managers, as the possibility of telechairs (from the Greek for remote and understandable, enthusiasm of hand) mining or 'armchair mining' in which a powerful robot underground would faithfully follow the instructions and motions of a coalminer seated safely on the surface. He would be fed with enough information to make him feel that he was working at the coalface. The same concept is being investigated by scientists with the Department of Energy as a possible way of replacing the diver in his more hazardous roles in the North Sea. So far an improvement in availability of about 18 minutes per shift. This means an additional 90,180 tons of coal from the face per shift. So as I see it, Minos for coal clearance is going to make an important contribution," says Mr. Mills. The operational researchers believe that the capital outlay of some £350,000 for a three-face colliery will be amortised in about three to four years.

This painstaking process of evaluation—frustratingly slow for researchers and suppliers—will be undertaken for each facet of Minos. The fiasco of Bevercoats and of an even earlier attempt to develop a robot, the Collins miner, are still fresh in the minds of Board members. But as Mr. Mills points out, the researchers themselves are still a long way from either fully automating the coalface itself, or from an integrated Minos to automate a complete mine. And the NCB will need time to prepare itself for novel demands for manpower from its collieries—for electronic engineers and computer programmers, for instance.

In trying, as Dr. Bailey must do, to look beyond Minos to an even less labour-intensive system, which if needs be could be used at great depths or far beyond the seabore, the researchers are drawn towards a chemical rather than a mechanical solution. The odds, Dr. Bailey believes, are on some form of *in situ* gasification or liquefaction of coal in the seam, so that it can much more conveniently be pumped to the surface. Another attraction—in theory at least—is that much less coal may then need to be left in the seam for reasons of safety. Nevertheless, the engineering problem will be daunting. "You can not stoke the fire or take the ashes," Dr. Bailey observes.

The alternative may be a kind of robot mining technology, more advanced than that the case for installing Minos. One concept, which Mr. Mills is now taking seriously, is the possibility of telechairs (from the Greek for remote and understandable, enthusiasm of hand) mining or 'armchair mining' in which a powerful robot underground would faithfully follow the instructions and motions of a coalminer seated safely on the surface. He would be fed with enough information to make him feel that he was working at the coalface. The same concept is being investigated by scientists with the Department of Energy as a possible way of replacing the diver in his more hazardous roles in the North Sea. So far an improvement in availability of about 18 minutes per shift. This means an additional 90,180 tons of coal from the face per shift.



Control centre at Bagworth Colliery where the management claims that automation through Minos has already improved efficiency from 73 to about 92 per cent.

MEN AND MATTERS

The arts of fighting for £50m

The running battle between the Treasury and the Commons about the future of the £50m Land Fund enters a new phase tomorrow. Arthur Jones, Conservative MP for Daventry, is calling a Press conference at the House to proclaim his anger at the treatment of his private member's Bill on the matter. His aim is to ensure that control of the £50m passes into the hands of independent trustees for spending on the arts.

On Friday, his Bill came up for a first reading, and was summarily dismissed from the lists through a completely unexpected objection by the Government Chief Whip. Jones regards this as a declaration of total war, because his Bill was recently ruled permissible by the Speaker; since a private member's bill cannot under standing orders "create a public charge," this ruling was a blow to the Treasury and gave parliamentarians hope that the Land Fund might at last be freed for use on the arts.

Jones was chairman of the select committee which reported on the Land Fund, and sees it as his duty to break Whitehall's grip on the £50m. He is by no means sure that Joel Barnett, the Treasury minister, thinks much of that aim—or indeed of the Speaker's ruling.

The outcome of the dispute could be far-reaching. One of the people at tomorrow's Press conference will be Norman St. John Stevas, not only Tony "shadow" for the arts, but the opposition front-bencher with special responsibility for constitutional matters.

Stake in Volvo

Heavily opposed by Volvo's small shareholders, the deal around such high passions that Stockholm stock brokers, Lengenskiold and Company decided to commission a report from outside the country.

Two hundred copies of the analysis by Grieverson, Grant, strongly opposing the deal, were circulated widely among journalists and financial analysts. "It certainly contributed in inducing some of the institutions here," Lengenskiold partner Thomas Fischer tells me. "We asked for advice in the U.S. first but were recommended to Grieverson, Grant. We were very satisfied with the report."

It certainly did the City's reputation no harm with the Norwegian government, threatened with a major crisis if the deal had gone through. Grieverson, Grant's report, written by analyst Brian Toms, said Volvo was following the wrong policies in going down rather than up-market while manufacturing in high-cost places—of which Norway was a classic example. Moreover, the price, said Toms, was too low. "It certainly had a bit of effect," says Brian Knox, head of Grieverson, Grant's international department. "When we cast the silver bullet we did not expect it to hit quite so effectively."

The U.S. has, in fact, been prepared to some extent. Man, who describes himself as an "editorial packager," tells me he has found some impeccable research done by a "very senior cardiologist" in Washington which shows that walking is just the thing, and that

Current account

As the Iranian tragedy unfolds, the villagers of Neauphle-Chateau near Paris are preparing for the moment of readjustment when the Ayatollah Khomeini finally flies away. Strange events occur in the village every day: a gendarme remarked drily at the weekend that he had just found a shopping bag banging on some railings with \$30,000 in it in single-dollar bills. The owner had forgotten it while going for an audience with the Ayatollah.

The best restaurant in the village is Chez Sam, which claims to have been the Shah's favourite eating place in former years. But Neauphle-Chateau has small hope that he will ever come back again after his adversary has departed.

Slow foot forward

"There are," asserts John Man, "many more walkers than joggers." It is the safe logic of a former Time-Life editor who knows the market, a logic which is about to release a volume called Walk! in both Britain and the U.S. simultaneously.

Overcast.

Card pinned to the coat of a street singer in Kensington: "Cloud needs relining."

SHOW REPORT

The definitive round-up of the Earls Court Boat Show with sections highlighting the different types and sizes of craft, engines and accessories on exhibition. There's a special feature on the British challenge for the America's Cup, an article on the principles and operation of cabin heaters and a guide to the models currently available, and a report on an early season cruise by Mike Peyton, who sat sail on New Year's Day. All this plus our regular features and superb brokerage section in:



February issue on sale now. 55p. Yachting World

UK COMPANY NEWS

Companies and Markets

Burco Dean raising £1.2m to meet expansion plans

Burco Dean, manufacturer of domestic appliances and kitchen equipment is raising £1.2m by way of rights. A total of 2.1m shares of 50p each will be issued on the basis of one-for-three at 60p per share.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are shown below are based mainly on last year's timetable.

Table with columns: Company Name, Meeting Date, and Notes. Includes BAT Industries, Borealis, etc.

is plenty of borrowing capacity. At 70p the ex-rights yield is 11 per cent.

Confidence at Notts. Brick

The first three months trading at Nottingham Brick Company, has been satisfactory and orders and reservations already received indicate this position should continue in the immediate future, Mr. W. David Crane, chairman, tells shareholders.



Mr. David Lawman, chairman of the Prestige Group, pictured in the company's London showrooms. The Group's results are due to be announced tomorrow.

DIVIDENDS ANNOUNCED

Table listing dividends for Abbey Panels, Midland Trust, etc. with columns for Current, Date, and Total.

Abbey Panels behind

DESPITE a second half profit of £241,069 against £226,194 Abbey Panels finished the full year ended September 30 1978 with taxable profits down from £433,924 to £380,319. Turnover rose from £3.49m to £4.56m during the year.

No upturn yet at Ley's Foundries

Two years of generally poor demand have had a substantial impact on the profit margins of Ley's Foundries and Engineering, says Mr. Francis D. Ley, chairman, which are now clearly inadequate.

Crest International

Shareholders' funds of Crest International total £22,500, states the Board, which is represented entirely by short-term deposits earning interest at beneficial rates.

NEW LIFE BUSINESS Colonial Mutual success: writes 28% more

A successful year for new life business in 1978 is reported by The Colonial Mutual Life Assurance Society, with new annual premiums 56 per cent higher at £2.5m compared with £1.6m in the previous year.

Thos. Ward sees higher profit after overhaul

For the current year, Thos. Ward is aiming for a higher net profit than in 1977-78. Mr. J. Peter Frost, chairman, tells shareholders in his annual report.

extended and interest rates as had been hoped over Christmas and New Year because of the weather.

Good first quarter for Borthwick

IN THE first quarter of the current year, Thomas Borthwick and Sons has got off to a good start with results "solidly ahead" of last year.

Good start for Vaux Breweries

A Vaux weroff heise Bret G M At the AGM of Vaux Breweries the chairman, Mr. Paul Nicholson, said that sales were still well ahead of the levels of two years ago and not far short of last year, when they were inflated by the effects of other brewers' strikes.

Delyn well ahead for 52 weeks

ON TURNOVER of £4.48m against £3.66m, pre-tax profits of Delya, packaging products group, rose from £26,000 to £91,000 for the 52 weeks to October 1, 1978.

Utd. Guarantee broadening base

Steps will hopefully have been taken in the current year to broaden the base of United Guarantee (Holdings), says Mr. H. W. King, the group's chairman, in his annual statement.

Trident new pension plan

A new pension scheme designed for controlling directors and senior executives has been launched by Trident Life Assurance Company. Called the Trident Life Executive Pension Plan its aim is to provide flexible benefits to meet the individual needs of executives and methods of making contributions.

Worcester Eng. expansion

Turnover at Worcester Engineering Company, manufacturer of oil-fired boilers, more than doubled during 1978, while volume production was exactly double that of 1977.

The Long-Term Credit Bank of Japan Finance N.V.

In accordance with the provisions of the above Notes, Bankers' Trust Company, as Reference Agent, has established the Rate of Interest on such Notes for the semi-annual period ending 27th July 1979 as eleven and thirteen sixteenths per cent (11 1/16% per annum. As calculated in accordance with Clause 2(d) of such Notes, the Interest due on such date, which will be payable on surrender of Coupon No. 4 of each Note (the 'Coupon Amount'), amounts in United States Dollars to \$69.39.

The directors intend to recommend a dividend total of 4.95252p net for the year ending September 30, 1979. This represents a 30 per cent increase over the 1977-78 payment.

Brokers to the issue are Laing and Crutchshaw. On January 1, 1979 the group had outstanding loans of £2.58m, including a secured medium-term loan of £2m and bank overdrafts and other short-term borrowings of £535m.

Independent Newspapers has very strong balance sheet

The financial position of Independent Newspapers at the end of 1978 was the strongest in the group's 75-year history, Mr. R. T. Murphy, the chairman, says in his annual report.

national newspapers in Ireland and their combined circulation accounted for 55.7 per cent of the total circulation of national newspapers.

However, considerable progress in both reducing costs and enhancing revenue has been made during the year and it is now evident that, with continued effort on these fronts, the company has the capacity in time to earn a reasonable return on the investment made in it to date.

INTEREST 14 1/2% PER ANNUM. Paid on deposits. First Fyell Finance Ltd. 166, Birchfield Road East, Northampton NN3 2HG.

Dobson Park "A profit increase of 23%". In the circular to shareholders in May announcing a Rights Issue the Board forecast pre-tax profits of £1,425 million for 1977-78.

A Mining and Specialised Engineering Group LONDON, NOTTINGHAM, WIGAN. Summary of Results table comparing 1978 and 1977 performance.

BP Canada announces that all the company's outstanding 5 per cent cumulative, redeemable sinking fund preference shares will be redeemed on March 26, 1979.

McCORQUODALE World-wide specialist printers. Year ended 30 September 1978 and 1977 turnover and profit figures.

Worcester Eng. expansion. Turnover at Worcester Engineering Company, manufacturer of oil-fired boilers, more than doubled during 1978.

Trident new pension plan. A new pension scheme designed for controlling directors and senior executives has been launched by Trident Life Assurance Company.

Utd. Guarantee broadening base. Steps will hopefully have been taken in the current year to broaden the base of United Guarantee (Holdings).

The Long-Term Credit Bank of Japan Finance N.V. In accordance with the provisions of the above Notes, Bankers' Trust Company, as Reference Agent, has established the Rate of Interest on such Notes for the semi-annual period ending 27th July 1979.

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UK COMPANY NEWS

Companies and Markets

Burco Dean raising £1.2m to meet expansion plans

Burco Dean, manufacturer of domestic appliances and kitchen equipment is raising £1.2m by way of rights. A total of 2.1m shares of 50p each will be issued on the basis of one-for-three at 60p per share.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are shown below are based mainly on last year's timetable.

Table with columns: Company Name, Meeting Date, and Notes. Includes BAT Industries, Brengreen Holdings, etc.

is plenty of borrowing capacity. At 70p the ex-rights yield is 11 per cent.

Confidence at Notts. Brick

The first three months trading at Nottingham Brick Company, has been satisfactory and orders and reservations already received indicate this position should continue in the immediate future, Mr. W. David Crane, chairman, tells shareholders.



Mr. David Lawman, chairman of the Prestige Group, pictured in the company's London showrooms. The Group's results are due to be announced tomorrow.

DIVIDENDS ANNOUNCED

Table listing dividends for Abbey Panels, Midland Trust, etc. with columns for Current, Date of payment, and Total.

Abbey Panels behind

DESPITE a second half profit of £241,069 against £226,194 Abbey Panels finished the full year ended September 30 1978 with taxable profits down from £433,924 to £380,319. Turnover rose from £3.49m to £4.56m during the year.

No upturn yet at Ley's Foundries

Two years of generally poor demand have had a substantial impact on the profit margins of Ley's Foundries and Engineering, says Mr. Francis D. Ley, chairman, which are now clearly inadequate.

Crest International

Shareholders' funds of Crest International total £22,500, states the Board, which is represented entirely by short-term deposits earning interest at beneficial rates.

NEW LIFE BUSINESS Colonial Mutual success: writes 28% more

A successful year for new life business in 1978 is reported by The Colonial Mutual Life Assurance Society, with new annual premiums 56 per cent higher at £2.5m compared with £1.6m in the previous year.

Thos. Ward sees higher profit after overhaul

For the current year, Thos. Ward is aiming for a higher net profit than in 1977-78. Mr. J. Peter Frost, chairman, tells shareholders in his annual report.

extended and interest rates as had been hoped over Christmas and New Year because of the weather.

Good first quarter for Borthwick

IN THE first quarter of the current year, Thomas Borthwick and Sons has got off to a good start with results "solidly ahead" of last year.

Good start for Vaux Breweries

A Vaux weroff heise Bret G M At the AGM of Vaux Breweries the chairman, Mr. Paul Nicholson, said that sales were still well ahead of the levels of two years ago and not far short of last year, when they were inflated by the effects of other brewers' strikes.

Results for this year would be affected by the outcome of the treatment of the industry by the price of interest rates at a time when the company was in the process of a major modernisation programme.

Delyn well ahead for 52 weeks

ON TURNOVER of £4.48m against £3.66m, pre-tax profits of Delya, packaging products group, rose from £26,000 to £91,000 for the 52 weeks to October 1, 1978.

Utd. Guarantee broadening base

Steps will hopefully have been taken in the current year to broaden the base of United Guarantee (Holdings), says Mr. H. W. King, the group's chairman, in his annual statement.

The directors intend to recommend a dividend total of 4.95252p net for the year ending September 30, 1979. This represents a 30 per cent increase over the 1977-78 payment.

Brokers to the issue are Laing and Crutchshaw. On January 1, 1979 the group had outstanding loans of £2.58m, including a secured medium-term loan of £2m and bank overdrafts and other short-term borrowings of £535m.

Independent Newspapers has very strong balance sheet

The financial position of Independent Newspapers at the end of 1978 was the strongest in the group's 75-year history, Mr. R. T. Murphy, the chairman, says in his annual report.

national newspapers in Ireland and their combined circulation accounted for 55.7 per cent of the total circulation of national newspapers.

However, considerable progress in both reducing costs and enhancing revenue has been made during the year and it is now evident that, with continued effort on these fronts, the company has the capacity in time to earn a reasonable return on the investment made in it to date.

INTEREST 14 1/2% PER ANNUM. Paid on deposits, Paid Gross No minimum deposit. Minimum period 24 months.

Dobson Park "A profit increase of 23%". In the circular to shareholders in May announcing a Rights Issue the Board forecast pre-tax profits of £1,125 million for 1977-78.

Summary of Results table comparing 1978 and 1977 performance in terms of sales, earnings, and dividends.

A Mining and Specialised Engineering Group LONDON, NOTTINGHAM, WIGAN. Copies of the report are available from: The Secretary, Dobson Park Industries Limited.

BP CANADA. BP Canada announces that all the company's outstanding 5 per cent cumulative, redeemable sinking fund preference shares will be redeemed on March 26, 1979.

ASSOCIATES DEAL. J. Henry Schroder Waggs who are advising Westinghouse Brake and Signal on Friday bought 22,000 Hawker Siddeley at 220p on behalf of associates discretionary investment clients.

Utd. Guarantee broadening base

Steps will hopefully have been taken in the current year to broaden the base of United Guarantee (Holdings), says Mr. H. W. King, the group's chairman, in his annual statement.

Midland Trust ahead midway

Profits of the Midland Trust improved from £142,568 to £163,725 in the first half year ended December 31, 1978. The result is after all charges but before tax of £53,258 against £48,473.

Worcester Eng. expansion

Turnover at Worcester Engineering Company, manufacturer of oil-fired boilers, more than doubled during 1978, while volume production was exactly double that of 1977.

Trident new pension plan

A new pension scheme designed for controlling directors and senior executives has been launched by Trident Life Assurance Company. Called the Trident Life Executive Pension Plan its aim is to provide flexible benefits to meet the individual needs of executives and methods of making contributions.

The Long-Term Credit Bank of Japan Finance N.V.

£60,000,000 Guaranteed Floating Rate Notes Due 1982. In accordance with the provisions of the above Notes, Bankers' Trust Company, as Reference Agent, has established the Rate of Interest on such Notes for the semi-annual period ending 27th July 1979 as eleven and thirteen sixteenths per cent (11 13/16%) per annum.

MCCORQUODALE World-wide specialist printers. Year ended 30 September 1978 1977. Turnover £000 57,440 52,341. Profit before tax £000 4,123 3,032.

BIDS and DEALS

Tilling buying American electrical wholesaler

Tilling yesterday reached the next stage in its \$100m U.S. expansion programme with a \$15m bid for Summers Electric Company of Dallas...

SUPPORT FOR STANLEY MILLS

A new company has been formed, with the help of the Scottish Development Agency, to give Stanley Mills a new lease of life.

Insurance for works of art

An insurance broking company has been formed to provide insurance services for owners of works of art.

Best and May suspended at 65p on takeover approach

Best and May's shares were suspended from the Stock Exchange at 65p, which is a value of £1.5m on the company.

NATIONAL CARBONISING

Mr. Graham Ferguson Lacey, through his private company Birmingham and Midland Counties Trust, has increased his stake in National Carbonising to 23.1 per cent.

ANGLO-SWISS HOLDINGS

The offer by Armstrong Equipment for the capital of Anglo-Swiss Holdings not already owned has been accepted in respect of 629,908 ordinary shares.

SHARE STAKES

Park Place Investments-ICFC has exercised its option to subscribe for 500,000 shares (9.6 per cent of the enlarged capital).

OIL AND GAS NEWS

Imperial Oil earnings rose 7% to \$314m in 1978

Imperial Oil, estimates 1978 earnings rose seven per cent to \$314m (£132m) from \$293m in 1977, equal to \$24m per share against \$22. For the fourth quarter, earnings were \$79m.

MINING NEWS

Kaiser Resources earns more

VANCOUVER'S Kaiser Resources has lifted its 1978 net profit to C\$62.1m (£26.1m), or C\$2.33 per share, from C\$57.3m in 1977.

LAURASIA GETS MINADOR FUNDS

New finance is to be raised by Canada's Laurasia Resources for its South African Minador gold mine. It is understood that agreement in principle has been reached whereby Australia's Jemberana Minerals will advance A\$150,000 (£35,700) to Laurasia.

MINING BRIEFS

WITWATERSRAND MINE—Quarterly production for the quarter ended October 31, 1978: Ore milled 70,900 tonnes (previous quarter 71,000).

UK NEWS

P.O. to expand paging service throughout UK

The Post Office is to establish a national radio paging service, to spread throughout the UK in the 1980s.

Collecting VAT costs £500m

By Onr Consumer Affairs Correspondent

AN estimated £500m a year is spent by industry and commerce on collecting and accounting for VAT, the Business Equipment Trade Association claimed yesterday.

Scheme will give tenants better mobility

A SCHEME providing more mobility for London council tenants will be the subject of a clause in the Housing Bill to be introduced in Parliament in the next few weeks.

Textile driers to work together

STRAFIELD International of Reading and Dawson International of Selkirk are to work jointly in the manufacture and development of radio frequency textile drying equipment, in particular, package drying equipment.

TRUSTS BUY IN LOAN STOCKS

Between January 24 and 29, Romney Trust purchased at 95 per cent for cancellation £1,022,007 41 per cent convertible unsecured loan stock, 1973-8, and Baeburn Investment Trust purchased at the same price £840,236 41 per cent convertible unsecured loan stock, 1973-8.

Advertisement for Republic New York bank. Includes text: 'Republic ranks 26th in equity capital among all U.S. banks. And ranks 2nd in the ratio of stockholders' equity/assets.' and a table of bank statistics.

LISTENED TO THE FT. TODAY?

THE FINANCIAL TIMES INDEX & BUSINESS NEWS SUMMARY

IN BRIEF

RECORD HIGHWAY—Results for year to October 1, 1978 with comments on prospects, already reported. Group profit on CCA basis reduced to £22,000.

TRANS-ATLANTIC AND GENERAL SECURITIES COMPANY

Fiscal distribution on Wickinor Fund. Income units for the reporting period January 28, 1978 to January 1979 are 1.14p net per unit (1.25p), payable on March 15, 1979.

MEGGITT HOLDINGS

Treasury consent has been received for final dividend of 1.615p per share, which was announced on January 15.

AT&T COMMERCIAL AND GENERAL FUND

The final distribution on income units for the period to January 28, 1978, will be 0.42p net per unit (0.3p), payable on March 20, 1979.

INTERNATIONAL COMPANIES and FINANCE

Companies and Markets

NORTH AMERICAN NEWS

Record year at United Tech.

BY JOHN WYLES IN NEW YORK

UNITED TECHNOLOGIES, one of America's strongest and most-merger minded industrial conglomerates, yesterday reported record earnings for 1978, due to a 25 per cent climb in fourth quarter profits.

Each of the company's principal business segments—power, flight systems and industrial products and services—achieved sales gains of between 8 and 13 per cent last year. This has clearly contributed to a widening of profit margins which

became more apparent as the year progressed. Net income in the fourth quarter rose from \$49.55m to \$62.03m and fully diluted earnings per share from \$1.08 to \$1.20. Sales were 19 per cent higher at \$1.70bn.

As a result, net income for the year rose 19 per cent to \$234.1m, equivalent to \$4.76 a share fully diluted. Sales increased 13 per cent from \$5.55bn to \$6.26bn. At the year

end, the company's order book was 31 per cent higher than the year before at \$8.67bn.

In 1978 sales of aircraft jet engines and other power units rose 12 per cent to \$2.87bn, aeronautical and space flight systems sales were up 8 per cent to \$681.6m, and those of industrial products, ranging from elevators to electricity controls, rose 13 per cent to \$2.7bn.

The board of directors has raised the quarterly dividend on the common stock by 5 cents a share to 55 cents a share, in-

creasing the annual dividend rate to \$2.20 a share. The dividend is payable March 10 to shareholders of record February 24.

UT's immediate objective is to pull off the \$1bn merger with Carrier Corporation, in which it now has slightly more than 50 per cent. Consolidation of the merger is being opposed by the Justice Department which has launched a full anti-trust suit and which has so far prevented UT acquiring the rest of Carrier at least until early next month.

Profit surge at National Steel

By Stewart Fleming in New York

NATIONAL STEEL, the third largest U.S. steel producer, reports that fourth quarter earnings more than doubled, and predicted that 1979 could be a good year for the company.

Most of the major steel companies have been reporting buoyant earnings for the second half of 1978, and National's figures are in line with industry trends.

Fourth quarter net income is up from \$16.5m in the same period of 1977 to \$38.0m. Sales revenues rose from \$769m to \$1.05bn.

For the year as a whole National's earnings are \$112.4m or \$5.85 a share, compared with \$60.1m or \$3.12 a share in 1977.

Sales revenues rose from \$2.2bn to \$3.8bn. Mr. George Stinson, the chairman, said strong demand for steel and the success of the company's cost reduction programme have enabled 1978 earnings to recover from the previous year's level and do so in the face of the coal strike in the first half of 1978.

He said that orders and bookings for the first half of 1979 indicate good operating and shipping levels, adding that in the absence of any definite signs of an economic downturn in the second-half of the year and with an anticipated reduction of imported steel, 1979 could be a good year for the company.

Firestone merger under attack

BY OUR NEW YORK STAFF

FIRESTONE TIRE and Rubber's proposed \$870m merger with Borg-Warner ran into some anxious and occasionally hostile questioning at the weekend from shareholders who doubted that the terms were good enough.

Mr. Richard Riley, Firestone's chairman, explained the thinking behind the merger at a somewhat lengthy meeting in Akron, Ohio. Although he seemed at times to raise the possibility that it might not go ahead, his principal aim was apparently to suggest that the published terms may not be the final ones. He said that the definitive agreement should be ready for a special meeting of shareholders

slated for April 24. He argued that the proposed terms would provide Firestone shareholders with higher income than they could expect from the company's stock for some years and that the combination would give them an interest in a diversified company with prospects for faster growth.

The merger proposals will offer Firestone shareholders the choice between a \$16 debenture paying an annual interest of 10 per cent or a convertible preferred share with an annual dividend of \$1.30 compared with the current dividend on Firestone ordinary of \$1.10. The most sensitive issue for stockholders is likely to be the

conversion rate on the preferred which has been linked with the new joint company's stock market price. The formula has been devised with the aim of preventing a stampede to switch during a stock market boom, but to hold out the prospect of a share in the new company's predicted prosperity.

The merger agreement with Borg-Warner is most commonly attributed to Firestone's problems with its 500 steel-belted radials, some 7.5m of which it is committed to replacing. Mr. Riley said the controversy had cost the company "only a few tenths of 1 per cent" of the replacement tyre market. Some 1.8m of the 500 tyres had so far been exchanged, he added.

Strong upturn at Scott Paper

PHILADELPHIA — Scott Paper, bolstered by a fourth quarter surge in sales and profits that culminated in a generally strong year, expects to report sharply higher 1978 profits of about \$83.5m, or about \$2.41 a share.

Mr. Charles Dickey, the chairman and president, said yesterday. In 1977 the paper products company reported earnings, excluding an accounting adjustment credit, of \$62.1m, or \$1.60 a share—a four-year low. A gain of \$37.1m from a change in Scott Paper's method of accounting for investment tax credit swelled 1977 net to \$99.2m.

He estimated that Scott Paper's 1978 sales rose to about \$1.72bn from year-earlier sales of \$1.52bn, with every operating division experiencing record sales. Scott's fourth quarter net is estimated at \$32.5m or 94 cents a share on sales of about \$465m, an increase over 1977 fourth quarter net earnings of \$7.7m or 20 cents a share on sales of \$399.9m.

The company improved its performance in 1978 despite a three-month strike which crippled a West Coast pulp and paper mill and despite a third quarter writedown of \$8.5m or 22 cents a share from the closing of a Detroit mill.

Mr. Dickey said that, in the packaged products division—the company's biggest operation—unit sales climbed approximately 5 per cent over year-

earlier sales, because of a growth in sales territory.

New products, such as Cottonelle bathroom tissue, represented over 22 per cent of Scott Paper's volume for the year, up from 14 per cent in 1977. The division's sales in volume surpassed its 1977 sales of \$1.05bn, he said.

The S. D. Warren division, Scott Paper's second largest operation, "more than doubled" its contribution to corporate profits in 1978 over 1977. It experienced a 9 per cent increase in unit sales, and overall sales topped 1977 sales of \$355.1m. The division makes printing, publishing, converting and specialty papers. AP-DJ

More cuts at Genesco with sale of Bonwit

By David Lascelles in New York

GENESCO—the loss-making department store operator, has confirmed plans to sell its 13-strong Bonwit Teller chain to "a major U.S. retailer," though it will not say who.

Last year, the House of Fraser in London was reported interested in the chain, though a deal did not materialise.

On Friday, Genesco announced the sale of the lease on its main Bonwit Teller store, on Fifth Avenue, in Manhattan, to the Trump Organisation, the New York real estate development company, for a sum which it said would add \$15m to earnings.

Negotiations for the sale of the remaining stores were said by a spokesman to be active and at an advanced stage with a major unidentified U.S. retailer.

Genesco, based in Nashville, Tennessee, has been in declining health for about 10 years. But nearly two years ago, it hired Jack Hagan as the chairman, and he has set about pruning non-profitable operations.

The company made a loss in its last quarter ending October 31, and analysts believe there is a long haul back into steady profitability. Annual net sales are running at about \$290m, but are expected to be less than in 1977.

INTERNATIONAL CAPITAL MARKETS

Germany sets February bond total at DM950m

BY FRANCIS GHILES

A MAXIMUM OF DM 950m-worth of foreign Deutsche Mark bonds will be floated on the West German capital market during the month of February, the German capital markets sub-committee meeting in Frankfurt decided yesterday.

Meanwhile, two new issues, one of DM 150m for the Norwegian national oil company through Deutsche Bank and a DM 100m bullet issue for the Brazilian national electricity utility, Eletrobras through Dresdner Bank, were announced. Both were included in the January calendar of new DM issues.

Indicated terms for the Statoil issue, which has a maturity of 10 years and an average life of eight and one-half years, include a 6 1/2 per cent coupon, indicated coupon on the eight year bullet issue for Eletrobras is 7 per cent and the indicated price 99.

These indicated terms suggest that the return for investors on foreign Deutsche Mark bonds are being brought into line with what they can obtain on German domestic bonds.

Some German bankers would have preferred a slightly lighter technical mix of new issues in the calendar, but it is believed there will be none next month.

The Deutsche Mark foreign bond secondary market did not react one way or the other to the new calendar; more than the volume of new issues, the mood of the market, not to mention what happens in the dollar sector, if the latter rallies strongly, the DM sector will be hit and some issues may be postponed or cancelled.

The new issue calendar will be opened by Deutsche Bank with a DM 50m public issue for Bank of Tokyo. Westdeutsche Landesbank will follow with a DM 100m public offering for an unknown state address (February 7), then Dresdner Bank with a DM 150m public offering for a European state entity (February 12), then Westdeutsche Landesbank with a DM 50m private placement for a corporate borrower (February 13) and a DM 100m for a state borrower (February 19).

Two days later, Dresdner will bring an unknown state borrower to the market for a DM 100m and on the February 22, Commerzbank will announce a DM 100m public offering for a state borrower. The calendar will be closed by Deutsche Bank with a DM 200 to DM 250m public offering for a state borrower.

The only other issue next month could be a DM 50m private placement by BHP. New issues for supranational borrowers are not technically included in the calendar, but it is believed there will be none next month.

uncertainty is that short-term capital movements are too volatile (though Ottawa is trying to control them) by keeping interest rates above those in the U.S. in spite of the fatness of its own economy; and because of the great role of the lead and lags in Canadian payments.

Measured against the size of the Canadian economy, borrowing at the present rate should prove sustainable in spite of high savings level. Canada always has been an importer of capital for its many capital intensive resource projects.

Canadian borrowing to increase

BY W. L. LUTKENS

CANADIAN long term foreign borrowing for purposes other than support of the Canadian dollar is likely this year to exceed last year's total of C\$3.5bn by a slight margin, according to economists and bankers.

The amount in 1978 was composed of borrowing by provincial governments and utilities of C\$1.9bn; municipalities C\$50m; and corporate borrowing of C\$1.55bn.

On top of that, largely for balance of payments reasons the Canadian federal Govern-

ment borrowed C\$5.6bn, including drawings of C\$3bn on lines of credit arranged with banking consortia. The latest negotiations to raise from Japanese banks in yen, the equivalent of C\$602m, 70 per cent of it in the form of a line of credit.

How the federal Government will proceed during the rest of the year is not really foreseeable, even though there are estimates that a current account deficit of C\$4.3bn, following upon C\$4.2bn in 1978 is in prospect. The reason for this

U.S. QUARTERLIES

Table with columns for AMERICAN AIRLINES, AMERICAN ELECTRIC POWER, AVERY INTERNATIONAL, CONSOLIDATED FOODS, and CONTINENTAL GROUP. Rows show Revenue, Net profit, and Net per share for 1978 and 1977.

Advertisement for ACO S.A. Caracas, Venezuela. U.S. \$30,000,000 Medium Term Loan. Arranged by Dillon, Read & Co. Inc. Lists various international banking partners like American Express, Bank of America, Citicorp, etc.

Ashland divests again

ASHLAND OIL, which is divesting itself of its oil and gas properties to concentrate on refining and marketing, is to sell its properties in the Key Mountains and in its southern and in its southwest regions for about \$120.5m in cash, reports our New York staff. The purchaser is Petro- Lewis, the Denver-based exploration company.

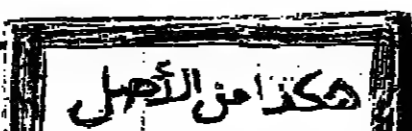
Gulf adds to stake

GULF and Western Industries, one of the largest U.S. conglomerates, plans to purchase up to 25 per cent of the equity of Sherwin-Williams, the largest U.S. paint company, writes Stewart Fleming in New York.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Large table listing international bond issues with columns for U.S. DOLLAR STRAIGHTS, DEUTSCHE MARK STRAIGHTS, OTHER STRAIGHTS, CONVERTIBLE, and YEN STRAIGHTS. Includes issue names, amounts, and yields.



Companies and Markets

INTL. COMPANIES and FINANCE

CAPITAL SPENDING AT BMW

Reinforcing the marque

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

WEST GERMANY'S Bayerische Motoren Werke (BMW) will spend DM5bn (\$1.6bn) on its business over the next three years. BMW plans to expand its model range and diversify production, adding a plant to capacity at the same time.

In 1978 the group sold all the 1900 cars it produced and earned the New Year virtually without any stock. This contrasted with production and sales of 296,000 in 1977.

BMW beat its production target in spite of the metalworkers' strike forcing its plants to close for four days with the loss of over 1,000 cars a day. The shortfall was made up by overtime working and this had an effect on profitability.

So, although 1978 proved to be the best year for production in BMW's history, the figures to be published in February will show profits below the targeted level.

Turnover was around DM5bn (\$2.2bn) against DM5bn (\$2.2bn) in 1977 while net profits have emerged marginally better than the DM125m (\$50m) achieved in 1977.

According to Mr. Hans-Joachim Schönbeck, the sales director, BMW will build up production to between 380,000 and 390,000 passenger cars a year by 1985.

At this level the group believes the exclusivity of the cars

would be retained while it could get more benefits from economies of scale. However, it might be necessary to go up to 400,000 at some stage, said Mr. Schönbeck.

Last year, 49 per cent of car output was sold in West Germany and this should decline slightly to 47 per cent by 1985. BMW aims to capture 6 per cent

of its domestic market and hold sales at that level.

In 1978 it estimates it had 5.9 per cent, up from 5.6 per cent in the previous year. BMW's German sales moved ahead by 10 per cent in 1978 in a buoyant market which improved 4 per cent to total 2.62m cars.

BMW's main concentration in export markets recently has been in the U.S. where it took over its own import organisation three years ago and has been strengthening the dealership network. Some 33,000 cars were delivered to the U.S. last year (sales probably reached 33,000) and the 1979 target is 36,000.

In 1980 BMW expects to deliver 40,000 cars and have 400 dealers in the U.S. and to keep sales at around that level—as with the policy in the home market the idea is that the exclusivity of the marque should not be disturbed.

In this connection, although Italy is the major European export market, taking 19,000

eventually will follow the usual pattern.

Significantly, Tozer Kemsley and Milbourn (Holdings), the international trading and finance group which owns BMW Concessionaires, the UK importing organisation, two years ago set up a second specialist vehicle import organisation to handle Jeep and Daihatsu four-wheel-drive vehicles and at the time this was seen as an organisation which could help fill the gap should the BMW business be lost.

The main constraint on BMW's output is engine production and a major part of the investment programme will be devoted to further modernisation of the Munich plant where engines are produced currently at the rate of 1,500 a day.

Output of the new M60 small six-cylinder engines, launched in September, 1977, will be lifted from 600 to 620 a day by August this year while 25 a day will be added to the output of the big six-cylinder engines, currently produced at the rate of 360 a day, and there will be further increases in 1980. (Some 550 four-cylinder engines a day are also produced at Munich.)

This represents a gradual increase but, as Mr. Schönbeck pointed out, "this is a period of consolidation which we need after the growth of the past few years."

The biggest European percentage increase this year will be in the UK, which has been allocated 13,200 cars against 10,892 in 1978 and 9,449 the previous year. By 1985 BMW expects UK sales to reach 20,000 a year.

Apart from Sweden, the UK is the only volume market in which BMW does not handle its own imports through a wholly-owned subsidiary and it is widely accepted that Britain

Car output at BMW is to be increased by something like a fifth over the next six years providing the West German manufacturer with economies of scale while not interfering with what the company believes is the exclusivity of its range of models.

BMW cars last year with 21,000 expected to be sold there in 1979, those totals still represent less than 1 per cent of the car market.

The biggest European percentage increase this year will be in the UK, which has been allocated 13,200 cars against 10,892 in 1978 and 9,449 the previous year. By 1985 BMW expects UK sales to reach 20,000 a year.

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Capital changes at Montefibre

BY PAUL BETTS IN ROME

MONTEFIBRE, the financially troubled synthetic fibres and textiles subsidiary of the Milan-based conglomerate Montedison, plans to write down its capital from L117bn to L65bn and subsequently raise it to L115bn (\$138m).

The proposal, to be put to an extraordinary meeting of shareholders at the end of next month, reflects the continuing financial difficulties and heavy losses of Montedison's largest subsidiary despite signs of a market recovery in both the textiles and chemicals sectors.

Montefibre remains the biggest thorn in the side of the Milan group which lost some L500bn in 1977 and expects to report heavy if more contained

losses up to 1980. Proposals to restructure and rationalise Montefibre's operations by merging its fibres activities with those of Sita Viscosa in which Montedison holds the single largest stake are still blocked at government level.

The current recovery in some of Montedison's main activities were disclosed to the Financial Times yesterday and show a 7 per cent increase in the group's net sales revenue last year compared to the previous year. Sales revenue totalling last year some L665bn had picked up towards the end of the year. Net sales last month amounted to L615bn.

While sales in the group's basic petrochemicals division

dropped by 5 per cent to L1015bn, sales by foreign subsidiaries increased by 12 per cent to L855bn, by 8 per cent in the plastics division to L1046bn and in all other major sectors including the parent company's textile division where sales rose by 6 per cent to L561bn.

The most impressive increase were recorded by the agricultural products division (21 per cent), pharmaceutical products (18 per cent), and engineering (21 per cent). Exports accounted for as much as 45 per cent of total turnover.

These increases, however, must be set against an inflation rate currently running at 15 1/2 per cent at an annual rate of about 19 per cent.

Astra earnings growth in line with forecast

BY OUR NORDIC EDITOR

ASTRA, THE Swedish pharmaceuticals group, reports 18 per cent growth in pre-tax earnings to around SKr 135m (\$31m) for 1978. Sales climbed by the same percentage to just over SKr 2bn (\$467m).

The profit is bang on the forecast made at the beginning of the year by the managing director, Mr. Ulf Widengren. As anticipated, earnings growth slowed down slightly in the last four months because of the heavy marketing investments made by the group abroad.

Capital investments amounted to around SKr 150m last year. Five new research laboratories were brought into operation in Sweden and a new production plant was completed in West Germany.

Astra's result takes on an even better hue when adjusted

of calculation was announced by the general banks, the savings banks and Centrale Rabobank. The general banks together have 1.8m current account holders while banks affiliated to the Centrale Rabobank have a further 2.8m.

Among the reasons for the move is the growing competition from the post office Giro and cheque service which is already in the process of introducing a similar method of calculating interest for its savings account holders.

The automation of banking over the past few years now means daily calculation are both possible and relatively inexpensive.

Total sees stronger cash flow

By David White in Paris

THE TENTATIVE recovery of France's Total oil group is confirmed by indications of a stronger cash-flow last year. René Granier de Lilliac, chairman of Compagnie Française des Pétroles, the parent company, told employees that group net profit would be slightly up on 1978 and that cash-flow would show a more marked improvement after stagnating up to the beginning of the year.

In 1977 the Total group, France's largest oil concern, showed a net profit of FF 260m (\$81m) up from FF 166m the previous year, when consolidated results stayed in the black thanks only to minority interests. Cash-flow in 1977 showed no improvement on the previous year's level of FF 2,370m, but in the first half of 1978 the level improved to FF 1,660m from FF 1,490m in the same 1977 period.

M. Granier de Lilliac stressed that the outlook was still uncertain in many ways and that the recovery was of modest proportions. The group's results were greatly affected by currency fluctuations and particularly by the decline of the U.S. dollar against the French franc.

Cie Française des Pétroles raised FF 588m in new capital last summer in order to strengthen its financial base, eroded by the problems of its refining operations.

The French government holds 35 per cent of the shares and controls 40 per cent of the voting rights.

Dutch banks lift rates

BY CHARLES BATCHELOR IN AMSTERDAM

DUTCH BANKS plan to start calculating interest payable on current and savings accounts on a daily basis. The move, which will come into effect in April, could increase interest payments to customers by Fl 80-100m (\$40-50m) a year.

At present most Dutch banks pay interest on a half monthly basis. Interest on a payment made into a savings account is credited from the following half monthly period, while interest on current accounts is based on the lowest level of the account in the preceding half month.

The decision to change basis

of calculation was announced by the general banks, the savings banks and Centrale Rabobank. The general banks together have 1.8m current account holders while banks affiliated to the Centrale Rabobank have a further 2.8m.

Among the reasons for the move is the growing competition from the post office Giro and cheque service which is already in the process of introducing a similar method of calculating interest for its savings account holders.

The automation of banking over the past few years now means daily calculation are both possible and relatively inexpensive.

Income boost for Swiss insurance group

BY JOHN WICKS IN ZURICH

THE CONSOLIDATED premium income of the Baloise Holding Insurance Group, of Basle, increased last year by 3 per cent to some SwFr 1.9bn (\$772m). The group's two major subsidiaries, The Baloise Insurance Company and The Baloise Life Insurance Company, went up by 5 per cent each, while turnover of the French subsidiary Baloise-Baloise rose by only 1 per cent in terms of French francs.

The claims situation was, according to an interim report, satisfactory. No major problems were presented by the exchange-rate developments, although capital earnings suffered from falling interest rates. Baloise Holdings is expected to pay an unchanged FF14 dividend, since both Swiss subsidiaries expect unaltered dividend distribution.

For 1979, the Baloise Group expects a further rise in premium income and another satisfactory underwriting result. Capital earnings are, however, expected to be depressed again owing to the interest situation, particularly in the life-insurance sector.

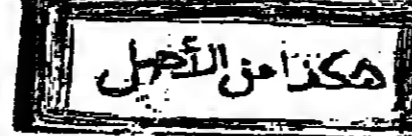
The Zurich-based airline Swissair last year carried 8.85m passengers, a rise of 4.6 per cent over 1977, with seat occupancy rising over the year from 60.7 per cent to 62.5 per cent—the highest rate since 1958. Growth rates of over 10 per cent were recorded for the airline's North American, Far Eastern and African routes.

Swissair, whose total transport offer increased by 6.6 per cent to 2.35bn tonne-kilometres in 1978, also booked a 14.5 per cent increase for its freight

traffic. In the case of South American and African services, this freight growth exceeded 20 per cent.

At the end of the year, Mr. Armin Bakensweiler, the Swissair chairman, had indicated that the growth rate had been considerably higher than budgeted. Net profits, however, would be down again to somewhere between SwFr 42.9m and SwFr 43.9m, although this is still the third highest this decade.

Banca Del Gottardo, of Lugano, had an unchanged net profit of SwFr 30.1m (\$12m) for last year. The bank's board is recommending distribution for the year of an extended dividend of 10 per cent on capital of SwFr 75m, with SwFr 13.5m to be transferred to reserves. Total own funds will therefore



This announcement appears as a matter of record only.



Yacimientos Petroliferos Fiscales

U.S. \$250,000,000

12 Year Floating Rate Loan

Guaranteed by

The Republic of Argentina

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Tokai Bank Nederland N.V.

The Toyo Trust and Banking Company, Limited

The Yasuda Trust and Banking Co., Ltd.

Agent

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New York Agency

December 1978

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Finsider S.p.A.

U.S. \$125,000,000

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Euramerica International Bank Limited

Société Anonyme

First National Bank of Oregon

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Interamerican Bank Corporation S.A., Panama (Nassau office)

Italian International Bank Limited

Kreditbank N.V.

Marine Midland Bank

The Nippon Trust and Banking Co., Ltd.

Provincial Bank of Canada (International) Limited

The Sanwa Bank Limited

The Sumitomo Trust and Banking Company, Limited

Union de Banques Arabes et Françaises - U.B.A.F.

The Yasuda Trust and Banking Company Limited

December 1978

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

INTEREST RATES

Doubt over Australia's falling rates

BY JAMES FORTH IN SYDNEY

THE AUSTRALIAN Government has pinned itself into a difficult corner over interest rates.

Since September, 1977, the Government has steadily manoeuvred official bond rates lower, with the long-term rate—the benchmark for interest rates—generally coming down from 10.5 per cent to 8.5 per cent.

The last reduction was in November when the long-term bond rate was cut from 9 per cent to its present level, apparently to enable Prime Minister Malcolm Fraser to fulfil a prediction made 12 months earlier that interest rates would fall by 2 per cent by December, 1978.

That prediction was largely self-fulfilling, as it encouraged investors to buy bonds with the certainty of capital profits through falling yields, which in turn enabled the authorities to justify further interest rate reductions because of solid subscription.

The posture maintained by the authorities is that they only respond to market forces, but this is not the case.

Government loans are at regular intervals and target levels are not set. There is no

tender, or tap, stock system, where rates are determined by market response. A major reason the government can operate this way is because it has a large captive market in the major institutions, such as the life offices and pension funds. The institutions can gain tax concessions if they place at least 30 per cent of their funds into government securities, of

view that the November bond rate reduction was not justified. In fact the market is simply not prepared to accept the official yield structure, and bond deals are still going through at yields of 9 per cent, and slightly higher.

On this occasion there is plenty of stock available because investors overbought when rates were still clearly

and A\$500m, thus aggravating the problem.

If the government goes ahead with a cash loan in February it would almost certainly result in an embarrassingly small subscription. To have any chance of raising funds of any magnitude the government would need to increase interest rates, but this would have an adverse psychological impact on the market.

The more likely course is that the Government will forgo a cash loan and simply make a conversion offer for maturing bonds—most of the stock has already been bought by the Reserve Bank. This would enable the Government to stick with its current rate structure while avoiding the embarrassment of a flop, but it will do nothing to solve its budgetary problems.

If the Government ducks the issue at this stage it would only leave the May loan in 1978-79 to seek cash subscription, but that is even more unlikely as the seasonal liquidity rundown for tax payments is most severe in the April-June quarter.

The alternatives for the Government, besides the printing press, are unpalatable. It can either try to increase

revenue, through the imposition of additional taxes, or further reduce its own spending, which would be difficult in the current situation of high unemployment.

The corporate sector, however, has already made its own judgment on interest rates. Industrial companies followed the bond rate on movements, and the corporate loan rate had fallen from around 12 per cent in late 1977 to the point where the country premier borrower, Broken Hill Proprietary, became the first company for several years to seek long-term funds below 10 per cent.

But BHP and a number of other quality corporate borrowers, such as John Lyngal Australian Consolidated Industries and Ford of Australia have found the going tough. BHP only managed to reach its underwritten target of A\$80m with the aid of two Government associated bodies, which put A\$30m, and fell well short of the total sought of A\$100m. Lyngal, ACI and Ford suffered shortfalls, and appears that any company which might be prepared to test the water at present would need to offer between 10.25 per cent and 10.5 per cent.

In fact the government still needs to raise around A\$200m more if it is to fund the forecast deficit of A\$2.5bn without resorting to the printing presses. The betting is the government will forego a cash loan and make a conversion offering for maturing bonds.

which 20 per cent must be in government bonds.

This is a major reason why the gap between government yields and commercial interest rates is so wide in Australia. The long-term corporate interest rate at present is between 10 and 10.5 per cent.

Despite its captive subscribers the government has managed to get itself into difficulties. There is a widespread

headed down. If the authorities attempted to hold the official yield curve by buying bonds, they would be rushed with sellers, which would create deficit-funding problems.

In fact the government still needs to raise around A\$200m more if it is to fund the forecast deficit of A\$2.5bn without resorting to the printing press. Moreover, there is a definite possibility that the deficit will overshoot by between A\$200m

Indian Oxygen falls

BY P. C. MAHANTI IN CALCUTTA

PRE-TAX PROFITS of Indian Oxygen—the Indian offshoot of British Oxygen of the UK, which has ceased to be a foreign controlled company with a disinvestment bringing the foreign holding down to 40 per cent—dropped sharply, to Rs 31.6m (\$4m), in the year to September. The profit the previous year was a little more than Rs 51m.

The impact of severe power shortages in some parts of the country, of industrial unrest affecting the customers, especially in the western and southern parts, and of slack demand in

certain sectors of the economy has had an adverse effect on sales, said Mr. K. D. Moore, the chairman. Loss of production and increased operating costs from power interruptions and shortages, it is calculated, caused a profit loss of upwards of Rs8m which could not be recovered, as a result of cost pressures all round.

The chairman is disappointed that the Indian Government has not yet given its approval to the company's major diversification project—to make a range of castor based chemical products.

Singapore plant for Matsushita

By Richard C. Hanson in Tokyo

MATSUSHITA Electronics Corporation, a joint venture between Matsushita Electric Industrial and Philips, has decided to build its first overseas semi-conductor plant in Singapore, capitalised at S\$60m (US\$2.8m).

The parent company also said that it has established a wholly-owned subsidiary in Singapore to supply equipment to its 13 affiliates in South-east Asian countries. The new company, Singapore Matsushita Technical Center, capitalised at S\$1m, will construct a plant and operate a technical training centre for local engineers.

Matsushita Electronics will from May, begin manufacturing products including silicon transistors and integrated circuits. The company was established in 1959, with Philips holding a 35 per cent share, and the Matsushita parent the remaining 65 per cent.

Shiseido slackens

BY YOKO SHIBATA IN TOKYO

SHISEIDO, Japan's top manufacturer of cosmetics, experienced slow growth in both sales and profits for the fiscal year to November.

Despite the company's aggressive sales strategies, sales rose by only 6 per cent to Y265.7bn. By products, cosmetics accounted for 86.7 per cent of turnover and soaps for 9 per cent.

Favourable developments such as a fall in raw material costs and the effect of production line rationalisation were cancelled out by a price markdown in cosmetics. The ratio of costs to sales rose by 0.5 per

cent to 48 per cent, thus blunting the growth rate of current profits, up by only 2 per cent to Y22.5bn. Net profits were Y9.7bn (\$48.5m), 3.6 per cent more than a year ago.

For the current fiscal year Shiseido expects cosmetic sales to grow by 7 per cent, after putting its main stress on an expansion of higher-grade cosmetics. However, the company faces rising raw material prices among other difficulties.

Sales are predicted to total Y282bn, up 8 per cent, with current profits at Y23bn.

Israeli bank boosts profit

BY L. DANIEL IN TEL AVIV

DEVELOPMENT and Mortgage Bank—a subsidiary of the Discount Bank, Israel's third largest commercial bank—reports a net profit for 1978 of I\$52.2m (\$5m), a rise of 87.8 per cent in 1977. Net profit before adjustments of accounting practices for tradable bonds, was up by 44.4 per cent.

Ordinary income—interest gains in index-linked bonds and exchange rate differentials, commissions on loans—came to I\$1.75bn in 1978 against I\$1.09bn a year earlier.

Paid up share capital rose by I\$37.25m to I\$90.4m after a 25 per cent scrip issue, the flotation of new shares last July and the conversion of debentures.

Urduan Metallurgical Industries, a subsidiary of CLAL, Israel's largest investment com-

pany, intends to raise I\$110m (\$6.3m) of new capital on the Tel Aviv Stock Exchange by the issue of 121 and 123 ordinary shares—to be sold at 340 per cent of the nominal value—together with options.

This announcement appears as a matter of record only.

J.F.I.

Jordan Fertilizer Industry Company Limited

equivalent of

\$20,000,000

Project Linked Multicurrency Fixed Interest Long Term Loan

unconditionally guaranteed by

The Hashemite Kingdom of Jordan

arranged and provided by

Arab Petroleum Investments Corporation (APICORP)

January 1979.

NOTICE OF REDEMPTION

To the Holders of

CYANAMID INTERNATIONAL DEVELOPMENT CORPORATION

5 3/4% Guaranteed Sinking Fund Debentures Due 1980

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of September 1, 1965 providing for the above Debentures, \$711,000 aggregate principal amount of said Debentures have been selected by lot for redemption on March 1, 1979, through operation of the Sinking Fund, at the redemption price of 100% of the principal amount thereof, together with accrued interest to said date. The serial numbers of the Debentures selected for redemption are as follows:

OUTSTANDING DEBENTURES OF \$1,000 EACH OF PREFIX "M" BEARING THE DISTINCTIVE NUMBERS ENDING IN ANY OF THE FOLLOWING TWO DIGITS:

09	17	23	25	31	33	43	46	49	51	57	61	64	84
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ALSO OUTSTANDING DEBENTURES OF \$1,000 EACH OF PREFIX "M" BEARING THE FOLLOWING NUMBERS:

3498	3736	5598	7698	7798	11736	14698	15398	16398	17398
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Payment will be made upon presentation and surrender of the above Debentures with coupons due September 1, 1979 and subsequent coupons attached at the main offices of any of the following: Morgan Guaranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, N.Y. 10015; Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London or Paris; Banca Commerciale Italiana in Milan; Algemeene Bank, Nederland, N.V. in Amsterdam; or Kredietbank S.A. Luxembourg in Luxembourg. Coupons due March 1, 1979 should be detached and collected in the usual manner.

On and after March 1, 1979 interest shall cease to accrue on the Debentures selected for redemption.

CYANAMID INTERNATIONAL DEVELOPMENT CORPORATION

Date: January 30, 1979

NOTICE

The following Debentures previously called for redemption have not as yet been presented for payment:

MC-643	835	1103	8340	8354	8116	7263	8023	8008	8204	10254	10625	10637	11663	11664	11912
691	836	3460	8838	8848	7212	8201	8945	8221	9678	10801	10626	11123	11663	11774	13889

All of these securities having been sold, this announcement appears as a matter of record only.

New issue / January, 1979

U.S. \$150,000,000

Export Development Corporation

(An agent of Her Majesty in right of Canada)

Société pour l'expansion des exportations

(Mandataire de Sa Majesté du chef du Canada)

9.85% Notes Due January 15, 1984

Interest payable January 15 and July 15

Principal and interest payable in U.S. dollars

Salomon Brothers	Wood Gundy Incorporated
Morgan Stanley & Co.	The First Boston Corporation
Dominion Securities Inc.	A. E. Ames & Co.
Greenshields & Co Inc	Burns Fry and Timmins Inc.
Atlantic Capital	Basic Securities Corporation
Blyth Eastman Dillon & Co.	Drexel Burnham Lambert
Kidder, Peabody & Co.	Lehman Brothers Kuhn Loeb
Midland Doherty Inc.	Nesbitt Thomson Securities, Inc.
Smith Barney, Harris Upham & Co.	UBS Securities, Inc.
Dean Witter Reynolds Inc.	Bear, Stearns & Co.
CIBC Limited	ABD Securities Corporation
Banque Nationale de Paris	Berliner Handels- und Frankfurter Bank
Crédit Commercial de France	Dai-ichi Kangyo Paribas Limited
Kleinwort, Benson	Kredietbank N.V.
The Nikko Securities Co.	Nomura Securities International, Inc.
Wardley	Westdeutsche Landesbank Girozentrale
	Merrill Lynch White Weld Capital Markets Group
	McLeod Young Weir Incorporated
	Bel, Gouinlock & Company
	E. F. Hutton & Company Inc.
	Loeb Roshodes, Hornblower & Co.
	Richardson Securities, Inc.
	Warburg Paribas Becker
	Wertheim & Co., Inc.
	Shearson Hayden Stone Inc.
	The Bank of Tokyo (Holland) N.V.
	Caisses des Dépôts et Consignations
	Daiwa Securities America Inc.
	Robert Fleming
	Morgan Grenfell & Co.
	New Court Securities Corporation
	Scandinavian Securities Corporation
	Orion Bank
	Yamaichi International (America), Inc.

NONE TOO SOON!

The FINANCIAL TIMES has now launched its new weekly magazine only for America

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When we printed a pilot issue of WORLD BUSINESS WEEKLY earlier this year, it carried 123 reports of major international developments that we felt would be of working value to American executives. Then we compared our pilot issue with the coverage for that same week in the Wall Street Journal, the New York Times, Business Week, Forbes, Fortune and the Journal of Commerce.

We found that all of these distinguished journals — combined — had covered less than half of the wide-ranging stories in that issue of WORLD BUSINESS WEEKLY.

As a reader of the FT this will hardly surprise you, especially if you have ever crossed the Atlantic and found yourself surrounded by U.S. business papers, wondering what was going on in the rest of the world.

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The FT's new WORLD BUSINESS WEEKLY will now fill the gap. It will of course draw on the extensive resources of the FT itself — plus our Business Information Service, our newsletters, and our other business publications.

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مركز الأعمال

CURRENCIES, MONEY and GOLD

Companies and Markets

Sterling improves

Sterling showed a firmer tendency against most major currencies in yesterday's foreign exchange market, although trading was described as dull with no real volume. Behind sterling's rise was the possibility of a settlement to the lorry drivers' strike, and although the industrial outlook remained far from rosy, the drivers' dispute was seen as probably the most damaging to the economy. On Bank of England figures, the pound's trade weighted index rose to 83.4 from 83.3, having touched 82 at noon and 83.3 in the morning. Against the dollar, sterling opened at \$1.9920 and eased to \$1.9890 by noon recovering to \$1.9930 by 4.15 p.m. The D-mark currency tended to ease during the afternoon, sterling rose to \$1.9865 and closed at \$1.9945. The dollar improved during the morning, probably reflecting demand ahead of the U.S. trade figures for December. In the afternoon it began to ease a little and finished on a note of stability in the middle of its day's range. Against the D-mark it touched DM1.8660 but closed at DM1.8505 compared with Friday's close of DM1.8540. The Swiss franc was weaker at SfrFr. 6880, down from SfrFr. 6845 previously. The Japanese yen eased through the ¥200 level to close at ¥200.20, having declined to ¥200.00 during the day and compared with ¥199.50 on Friday. Using Morgan Guaranty figures at noon in New York, the dollar's trade weighted average depreciation narrowed to 8.3 per cent, its best level this year and compared with 8.5 per cent on Friday. On Bank of England figures, its index rose from 82.5 to 84.4. NEW YORK—Early trading saw very little activity but the dollar improved against most currencies, with the exception of sterling, where the latter improved on a slightly better look to recent industrial unrest. The pound was quoted at \$1.9940 to close at \$1.9930 on Friday, while the D-mark eased to DM1.8565 from DM1.8550 and the Swiss franc fell to SfrFr. 6880 against SfrFr. 6855. FRANKFURT—The dollar was fixed at DM1.8545 yesterday, compared with DM1.8520 on Friday, as many people looked towards the announcement today of U.S. trade figures for Decem-

THE POUND SPOT

Table with columns: Jan. 29, Day's Spread, Close, One month, Three months, Six months. Lists various currencies like U.S. \$, Canadian \$, etc.

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on January 30, 1979. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied. Exchange in the UK and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer. Abbreviations: (S) member of the sterling area other than Scheduled Territories; (K) Scheduled Territory; (Y) official rate; (F) Free Zone; (T) tourist rate; (N) non-commercial rate; (A) not available; (B) approximate; (C) bank selling rate; (M) bank buying rate; (N) nominal; (E) exchange certificate rate; (P) based on U.S. dollar parities and going sterling dollar rate; (B) bank's rate; (Bas) basic rate; (Cm) commercial rate; (Cn) convertible rate; (Fm) financial rate. Sharp fluctuations have been shown in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

THE DOLLAR SPOT AND FORWARD

Table with columns: Jan. 29, Day's Spread, Close, One month, Three months, Six months. Lists various currencies like U.S. \$, Canadian \$, etc.

CURRENCY RATES

Table with columns: Currency, Rate. Lists Sterling, Canadian dollar, Australian dollar, etc.

Value of \$ Sterling

Large table with columns: Place and Local Unit, Value of \$ Sterling, Place and Local Unit, Value of \$ Sterling, Place and Local Unit, Value of \$ Sterling. Lists various international locations like Afghanistan, Albania, Algeria, etc.

OTHER MARKETS

Table with columns: Jan. 29, Rate. Lists Argentine peso, Australia dollar, Brazil cruzeiro, etc.

EXCHANGE CROSS RATES

Table with columns: Jan. 29, Pound Sterling, U.S. Dollar, Deutsche Mark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canada Dollar, Belgian Franc. Lists various currency pairs and their rates.

CURRENCY MOVEMENTS

Table with columns: Currency, Bank of Morgan, Index change %.

EURO-CURRENCY INTEREST RATES

Table with columns: Jan. 29, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, West German Mark, French Franc, Italian Lira, Asian \$, Japanese Yen. Lists interest rates for various currencies.

INTERNATIONAL MONEY MARKET

Interest rates continued to ease in parts of Europe yesterday, with call money in Frankfurt falling to 1.0-2.0 per cent, from 3.0-3.4 per cent on Friday. This follows a general easing from the middle of last week onwards, after an earlier rise to around 4 per cent in response to moves by the Bundesbank to try to reduce excess liquidity in the commercial banks. Before the rise in the Lombard rate to 4 per cent, and the increase in minimum reserve ratios, announced on January 18, call money had been around the 3 per cent level. The regulations on reserve ratios will apply from this Thursday. Period rates were slightly firmer on balance yesterday however, with one-month rising to 4.0-4.1 per cent, three-month 4.1-4.2 per cent, compared with 4.1-4.2 per cent on Friday, while six-month was 4.2-4.3 per cent, compared with 4.3-4.4 per cent on Friday. The market was also quiet against 4.4-4.6 per cent. In Brussels the Belgian National Bank reduced the interest rates on one-month Treasury certificates to 3 per cent from 3.25 per cent, two-month to 3.25 per cent from 3.5 per cent, and three-month to 3.5 per cent from 3.75 per cent. The previous cut in rates was also on January 18, following a move to ease credit conditions, by a reduction in the Lombard rate in Belgium to 8 per cent from 10 per cent. PARIS — Day-to-day money 6 1/2 per cent; one-month 6 1/2 per cent; three-month 6 1/2 per cent; six-month 6 1/2 per cent; and 12-month 7 1/2 per cent. AMSTERDAM — Call money was unchanged at 7 1/2 per cent, and one-month at 8 1/2 per cent. NEW YORK — Several banks lowered their broker loan rate to 11 per cent from 11 1/2 per cent, starting with Morgan Guaranty, Trust, and including Chase Manhattan. The First National Bank of Chicago left its prime rate at 11 per cent. Overnight Federal Funds rose to 10 1/2 per cent, from around 10 per cent. GOLD Slight rise Gold showed a slight improvement in the London bullion market yesterday and closed at \$235 1/2, a rise of 1/2 an ounce. The metal opened at \$235 1/2 and was fixed during the morning at \$235 1/2, but improved to \$235 3/4 by 10.30 a.m. after the afternoon fixing to \$235.20. Goto Bullion's fine ounce) 235.10-235.20 Opening 235.25-235.35 Morning fixing 235.40-235.45 Afternoon fixing 235.20-235.25 Gold Coins, domestically Kruggerand 235.25-235.35 New Sovereigns 235.30-235.40 Old Sovereigns 235.35-235.45 Gold Coins, internationally Kruggerand 235.10-235.20 New Sovereigns 235.15-235.25 Old Sovereigns 235.20-235.30 \$20 Eagles 235.10-235.20 \$10 Eagles 235.10-235.20 \$5 Eagles 235.10-235.20 and in New York it touched \$236 1/2. The best level seen in London was around \$236 1/2. In Paris the 12 1/2 kilo bar was fixed at FF 31,800 per kilo (\$230.95) in the morning and FF 31,700 (\$231.81) on Friday afternoon. In Frankfurt the 12 1/2 kilo bar was fixed at DM 14,010 per kilo (\$232.71 per ounce) against DM 13,950 (\$234.71) previously. Rates in the table below are nominal in some cases.

GERMAN CALL MONEY RATE CUT

German call money rate cut. Interest rates continued to ease in parts of Europe yesterday, with call money in Frankfurt falling to 1.0-2.0 per cent, from 3.0-3.4 per cent on Friday. This follows a general easing from the middle of last week onwards, after an earlier rise to around 4 per cent in response to moves by the Bundesbank to try to reduce excess liquidity in the commercial banks. Before the rise in the Lombard rate to 4 per cent, and the increase in minimum reserve ratios, announced on January 18, call money had been around the 3 per cent level. The regulations on reserve ratios will apply from this Thursday. Period rates were slightly firmer on balance yesterday however, with one-month rising to 4.0-4.1 per cent, three-month 4.1-4.2 per cent, compared with 4.1-4.2 per cent on Friday, while six-month was 4.2-4.3 per cent, compared with 4.3-4.4 per cent on Friday. The market was also quiet against 4.4-4.6 per cent. In Brussels the Belgian National Bank reduced the interest rates on one-month Treasury certificates to 3 per cent from 3.25 per cent, two-month to 3.25 per cent from 3.5 per cent, and three-month to 3.5 per cent from 3.75 per cent. The previous cut in rates was also on January 18, following a move to ease credit conditions, by a reduction in the Lombard rate in Belgium to 8 per cent from 10 per cent. PARIS — Day-to-day money 6 1/2 per cent; one-month 6 1/2 per cent; three-month 6 1/2 per cent; six-month 6 1/2 per cent; and 12-month 7 1/2 per cent. AMSTERDAM — Call money was unchanged at 7 1/2 per cent, and one-month at 8 1/2 per cent. NEW YORK — Several banks lowered their broker loan rate to 11 per cent from 11 1/2 per cent, starting with Morgan Guaranty, Trust, and including Chase Manhattan. The First National Bank of Chicago left its prime rate at 11 per cent. Overnight Federal Funds rose to 10 1/2 per cent, from around 10 per cent. GOLD Slight rise Gold showed a slight improvement in the London bullion market yesterday and closed at \$235 1/2, a rise of 1/2 an ounce. The metal opened at \$235 1/2 and was fixed during the morning at \$235 1/2, but improved to \$235 3/4 by 10.30 a.m. after the afternoon fixing to \$235.20. Goto Bullion's fine ounce) 235.10-235.20 Opening 235.25-235.35 Morning fixing 235.40-235.45 Afternoon fixing 235.20-235.25 Gold Coins, domestically Kruggerand 235.25-235.35 New Sovereigns 235.30-235.40 Old Sovereigns 235.35-235.45 Gold Coins, internationally Kruggerand 235.10-235.20 New Sovereigns 235.15-235.25 Old Sovereigns 235.20-235.30 \$20 Eagles 235.10-235.20 \$10 Eagles 235.10-235.20 \$5 Eagles 235.10-235.20 and in New York it touched \$236 1/2. The best level seen in London was around \$236 1/2. In Paris the 12 1/2 kilo bar was fixed at FF 31,800 per kilo (\$230.95) in the morning and FF 31,700 (\$231.81) on Friday afternoon. In Frankfurt the 12 1/2 kilo bar was fixed at DM 14,010 per kilo (\$232.71 per ounce) against DM 13,950 (\$234.71) previously. Rates in the table below are nominal in some cases.

UK MONEY MARKETS

UK MONEY MARKETS Exceptional assistance Bank of England Minimum Lending Rate 12 1/2 per cent (since November 9, 1978) Conditions remained very nervous in the London money market yesterday, with the discount houses more than bappy to sell Treasury bills to the authorities, as pressure continues to increase for a general rise in interest rates. Speculation about a rise in Bank of England Minimum Lending Rate to 4 per cent was unabated, while interest rates continued to firm, with the three-month interbank rising to 13 1/2 per cent from 13 1/4 per cent. Day-to-day credit was in very short supply, and the Bank of England gave assistance on an exceptional scale. The authorities bought an exceptionally large amount of Treasury bills, a small number of local authority bills, and a small amount of eligible bank bills from the houses, and also lent a small amount of overnight to three or four houses at 12 1/2 per cent. The bank bills will be resold to the market at a fixed future date. Banks brought forward moderate run-down balances, there was a moderate net take-up of Treasury bills to finance, and a small increase in the note circulation. The market was also faced with a fairly large excess of revenue payments to the Exchequer over Government disbursements. Discount houses paid 10 1/2 per cent for secured call loans at the start, with closing balances taken at 10 1/4 per cent. In the inter-bank market overnight loans opened at 11 1/2 per cent, and rose to 12 1/2 per cent, before closing at 8 per cent. Rates in the table below are nominal in some cases.

EXCEPTIONAL ASSISTANCE

Exceptional assistance. Bank of England Minimum Lending Rate 12 1/2 per cent (since November 9, 1978) Conditions remained very nervous in the London money market yesterday, with the discount houses more than bappy to sell Treasury bills to the authorities, as pressure continues to increase for a general rise in interest rates. Speculation about a rise in Bank of England Minimum Lending Rate to 4 per cent was unabated, while interest rates continued to firm, with the three-month interbank rising to 13 1/2 per cent from 13 1/4 per cent. Day-to-day credit was in very short supply, and the Bank of England gave assistance on an exceptional scale. The authorities bought an exceptionally large amount of Treasury bills, a small number of local authority bills, and a small amount of eligible bank bills from the houses, and also lent a small amount of overnight to three or four houses at 12 1/2 per cent. The bank bills will be resold to the market at a fixed future date. Banks brought forward moderate run-down balances, there was a moderate net take-up of Treasury bills to finance, and a small increase in the note circulation. The market was also faced with a fairly large excess of revenue payments to the Exchequer over Government disbursements. Discount houses paid 10 1/2 per cent for secured call loans at the start, with closing balances taken at 10 1/4 per cent. In the inter-bank market overnight loans opened at 11 1/2 per cent, and rose to 12 1/2 per cent, before closing at 8 per cent. Rates in the table below are nominal in some cases.

MONEY RATES

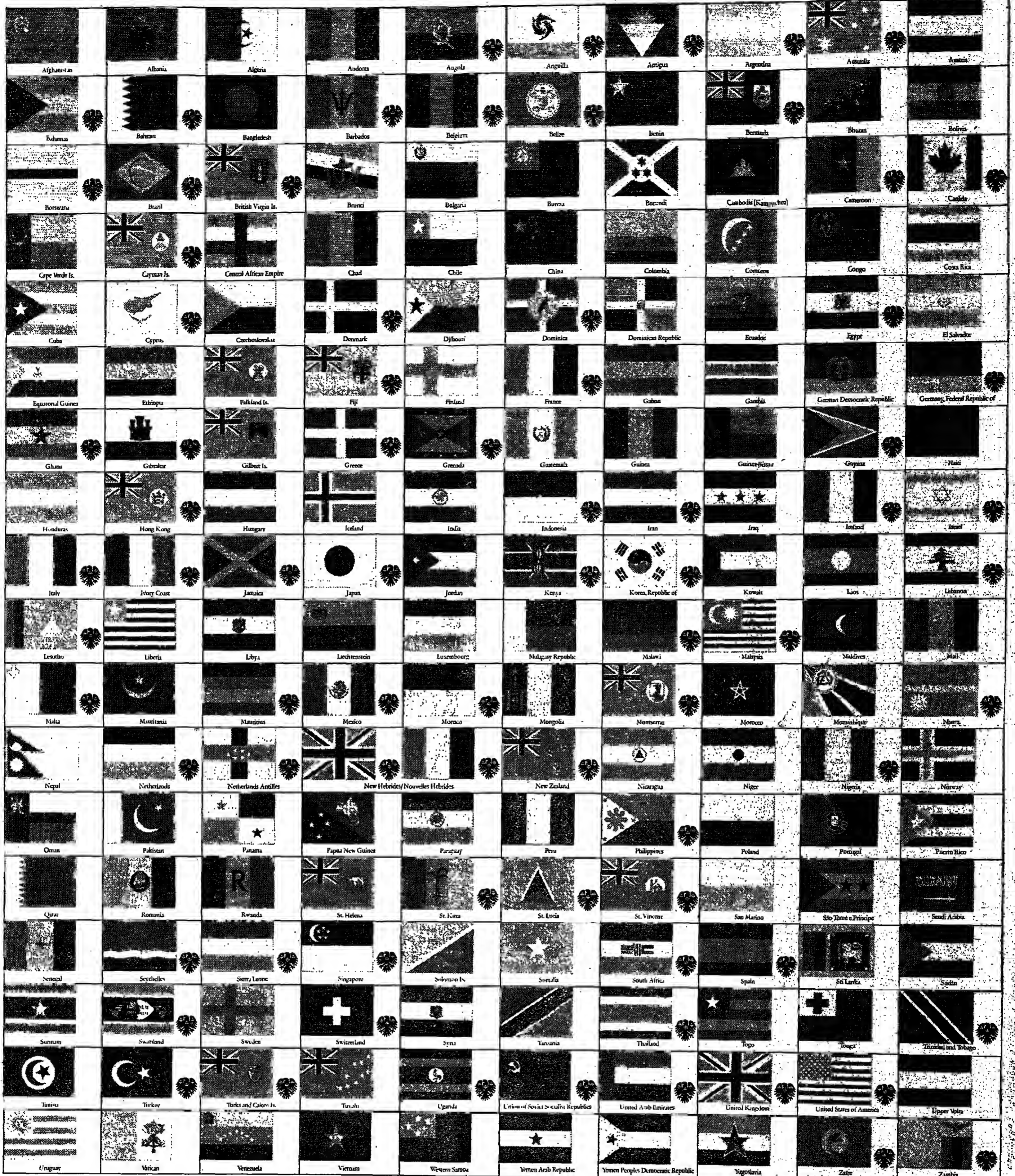
Table with columns: New York, Germany, France, Japan. Lists various money rates and interest rates.

LONDON MONEY RATES

Table with columns: Jan. 29, Sterling, Local Authority, Finance House, Discount, Treasury, Eligible Bank, Fine Trade. Lists various London money rates.

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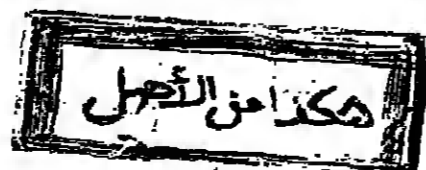
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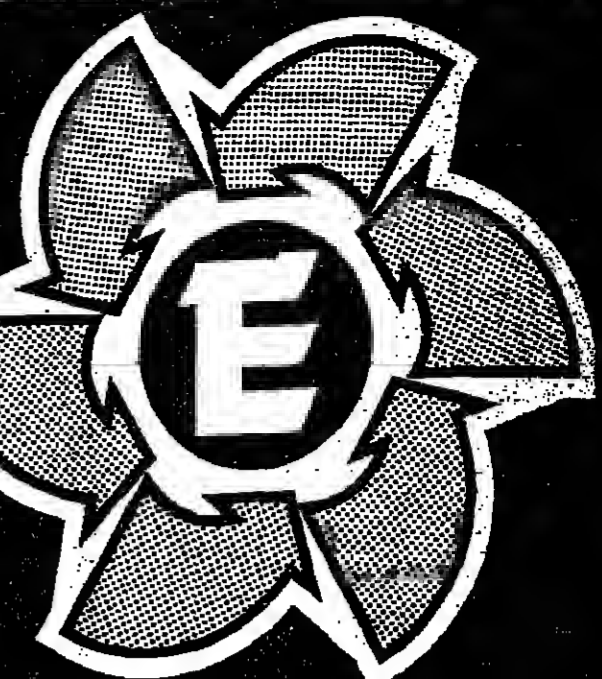
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In the South of England. Good contacts with the aerospace and computer industries, and contracts with the Ministry of Defence. The company has both conventional and numerical control machinery, and factory space of 25,000 square feet. The turnover is about £1.1 million per annum.
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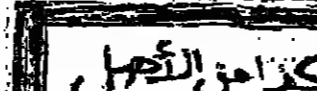
seeking to purchase brokerage (Life and/or Fire and Accident) where one or more Directors would be willing to continue with a view to an early Directorship on the Merit Board. Please write to Box G.3258, Financial Times, 10, Cannon Street, EC4P 4BY.

Private Purchaser

with capital available due to recent sale of own business, wishes to buy a company with a turnover between £200,000/£1,000,000. P.E. Location preferred in the South West... with easy access to global. Write Box G.3261, Financial Times, 10, Cannon Street, EC4P 4BY.

WASTE DISPOSAL

Wanted with own tipping site facilities. Thames Valley. Hampshire, Surrey, Berkshire. Write Box G.3262, Financial Times, 10, Cannon Street, EC4P 4BY.



COMMODITIES AND AGRICULTURE

Legal threat over sugar beet losses

By a Correspondent
MIDLAND SUGAR beet growers, who face losses of about £1m because of frost damage to their crops, have been told by the chairman of the National Farmers Union sugar beet committee that he is prepared to go to the High Court, if necessary, to try to obtain compensation for them.

Latin American fishing boost proposed

By Hugh O'Shaughnessy
THE FISHING industry in Latin America could be quadrupled to yield up to 36m tonnes if its full potential were realised. At the same time, the provision of some basic facilities could rapidly cut the large quantities of fish which are wasted. The wastage in some areas amounts to 50 per cent of the catch.

Silver and copper prices advance to new peaks

By JOHN EDWARDS, COMMODITIES EDITOR
SILVER PRICES rose to record levels and copper reached a new 20-month peak on London metal markets yesterday. The London bullion spot quotation for silver was increased by 3p to \$31.2p a troy ounce, and the market moved further ahead in the afternoon with the London Metal Exchange cash price closing 6.99p up at \$34.9p.

As a result cash wirebars levels at \$271.5 a tonne, despite increasing nervousness as to whether the upward trend can be sustained. Copper prices have gained some £100 this month moving up steadily with only a few minor setbacks. Dealers feel that a technical reaction is long overdue after such a rise and this accounts for the bouts of profit-taking selling, especially by speculators who have been the most active buyers recently.

Change warehouses declined by 6,300 tonnes last week reducing total holdings to 324,550 tonnes. This is a fairly modest fall compared with those earlier in the month, but still means that copper stocks have fallen by nearly 50,000 tonnes in January. A rise in the stocks, up by 115 to a total of 1,613 tonnes, caused slight surprise after the reports last week of shipments being diverted from Europe to the Penang market, and some U.S. trade buying interest, kept prices steady and cash tin closed \$22.5 up at \$6,972 a tonne.

NY futures merger plan detailed

By Our Commodities Staff
THE PROPOSED merger of the New York Cocoa Exchange and Coffee and Sugar Exchange took a further step forward yesterday when the Exchange released details of their proposals for consideration by members, report AP-Dow Jones.

Australia and India seek iron ore price rise

NEW DELHI—Australia has agreed to consult with India on iron ore export policies in a bid to raise prices, Mr. Malcolm Fraser, the Australian Prime Minister said here yesterday.

Wide differences at cocoa pact talks

BY BRIJ KHANDARIA IN GENEVA
THE POSITIONS of the main participants in the conference on cocoa here are so wide apart that some delegates are even questioning why the four-week meeting was called at this time in the crowded calendar of international talks.

Some consumer nations are questioning over the success of supplementary measures against "other measures." Others insist that buffer stocks should be the sole instrument of price stabilisation. Positions in the argument over price levels to be used for the arrangement are even wider apart and entire chapters in the text are under dispute. One negotiator must decide whether the buffer stocks should hold only cocoa beans or cocoa producers as well, and their size will be 250,000 or 350,000 tonnes. Another suggestion is that a new paragraph should be added to prohibit the stock manager from making net purchases or net sales of more than 100,000 tonnes in any 12-month period. This is seen by producers as a limitation on the buffer stock system's effectiveness.

Mandatory
A major battle looms over how the buffer stock would be financed. The producers favour a levy of one U.S. cent per pound charged on first export or first import of cocoa beans or the beans equivalent of cocoa products. However, consumer countries have proposed an alternative version allowing the charge to be made more than once and making it mandatory for both the importer and exporter to ascertain that the contribution has been paid.

World grain forecast raised

WASHINGTON — The total 1978-79 world grain crop, including millfeed, is now projected at 1,425m tonnes compared with 1,409m previously forecast and 1,326m estimated for last season, the U.S. Agriculture Department has announced.

Present shipping and transportation problems rather than competition from the U.S., the EEC, Australia and Argentina are the major obstacles to expanding its export markets right now, they said. Nevertheless, Canada is concerned about use of export subsidies, especially by the EEC. Mr. John O'Connor, director-general of the Canadian Trade Department's grain marketing office, described these subsidies as "troublesome."

World trade in total grains is expected to reach about 163m tonnes in 1978-79, up slightly from the November forecast and 1 per cent above the previous record 165m tonnes traded in 1977-78. Meanwhile Canadian Government sources said Canada expects to sell as much wheat as it can ship this year despite its high prices and aggressive marketing by other exporters.

BRITISH COMMODITY MARKETS

Table with columns for Base Metals (Copper, Tin, Zinc, Lead, Silver), Coffee, Rubber, Soyabean Meal, and Sugar. Includes prices and market commentary.

AMERICAN MARKETS

Table with columns for Price Changes, Metals, Grains, and Oil. Includes prices and market commentary.

EUROPEAN MARKETS

Table with columns for Wheat, Barley, and other commodities. Includes prices and market commentary.

INDICES

Table with columns for Financial Times, Dow Jones, and Reuters. Includes index values and market commentary.

CLASSIFIED ADVERTISEMENT RATES

Table listing advertisement rates for various categories: Commercial and Industrial Property, Personal, Gardening, Hotels and Travel, Book Publishers, etc.

COMMODITY PROFITS CAN BE BIG WITH DUNN & HARGITT

You could realize substantial investment return through our multi-million dollars commodity group with a proven record of success. Minimum investment: \$20,000.

COMMODITY PROFITS CAN BE BIG WITH DUNN & HARGITT

You could realize substantial investment return through our multi-million dollars commodity group with a proven record of success. Minimum investment: \$20,000.

LONDON COMMODITY TABLES

Table with columns for Daily High/Low/Close Charts with 5, 10, and 20-day Moving Averages. Includes market commentary.

COCOA

Cocoa futures remained steady during a quiet morning session but after commission-house short-covering had moved prices limit-up, selling pressure gained for prices to close overall 22c higher than Friday, reported GSI and Duffus.

WHEAT

WHEAT—The market was slightly more active with values beginning to appreciate. Milling wheat delivered to the U.S. from the U.S. Government was 100.25. Denaturable quality wheat delivered to the U.S. from the U.S. Government was 95.00.

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Brazil soya loss estimate

Granda do Sul Agriculture Secretariat in its latest bulletin said it estimates the State will lose 59 per cent of the forthcoming soyabean crop through dry weather. Secretariat sources said, however, that this did not take into consideration rain which fell in many places over the weekend. The loss could diminish if the weekend rain proves to have been beneficial, they added.

Higher fallow price forecast

NEW YORK—Fallow is expected to rise in price this year amid strong demand and a dip in output. The U.S. Agriculture Department estimates annual U.S. fallow output at \$1.4bn and industry officials say about half of that is exported.

LONDON STOCK EXCHANGE

Companies and Markets

Emphasis on secondary issues as leaders drift lower at start of new Account—Variable coupon Gilts weak

Account Dealing Dates

*First Declared Last Account Dealings Dates... Jan. 15 Jan. 25 Jan. 26 Feb. 6 Jan. 29 Feb. 8 Feb. 9 Feb. 20 Feb. 12 Feb. 22 Feb. 23 Mar. 6

Leading shares opened a penny or two higher at the start of the new trading Account yesterday, anticipating a further slight improvement in the labour situation and, perhaps, even a settlement of one or more of the current disputes which are bearing heavily on UK industry.

Institutional operators were content to play a waiting game, however, and although a few small public investors showed interest in the leaders, the greater emphasis was again put on secondary stocks.

A subsequent downdrift in leading issues was aggravated by occasional selling orders later in the day and the FT Industrial Share Index, which had risen at 10 am had shown a small rise, closed at 4633.3.

The two existing Variables were sharply affected through switching and sustained losses of 1/2 pence, the 1981 stock closing at 96 1/2 and the 1982 at 95 1/2.

Elsewhere in the shorts, gains extended to 1/2 p after early losses of 1/4 p, while many mediums and longs were being quoted higher in the late inter-office trade.

Corporations were virtually untested. Shaw Carrels 10 per cent Convertible Preference, issued by way of capitalisation to Ordinary holders, opened at 10 1/2 p and edged forward to close at 10 3/4 p.

Conditioning in the investment currency market yesterday were quite active. The premium traded between extremes of 93 1/2 and 92 1/2 per cent in good two-way

trading with demand evident for investment in Far-Eastern and U.S. securities and closed up on balance at 93 1/2 per cent.

Against last week's daily average of 64, only 411 contracts were completed in the Traded Option market yesterday with 135 being dealt in Courtaulds and 110 in Grand Metropolitan.

Wintrust higher

Favourable comment ahead of the dividend season which has started on 29th Feb. On February 16 helped the major clearing banks hold steady to firm. Best levels were not held and Barclays closed 3 to the good at 380p, after 382p, while Lloyds touched 29 1/2 p but ended untested at 29p.

Elsewhere, hovers came for Wintrust which put on 4 at 77, while Bank Leumi (UK) added 15 to 170p xd following the preliminary results.

Insurance Brokers achieved gains throughout the list in response to Press comment. Sedgwick Forbes, which returned to the market last week following publication of the proposed merger with Bland Payne, added 4 1/2 to 39 1/2 p.

News that Allied intended to raise beer prices by 3p per pint from February 14 resulted in leading breweries making early gains, but interest drifted off in later trading to leave most issues at pre-weekend levels.

Allied closed a penny better at 83p, while Matthew Brown added 2 to 118p on the chairman's confidence about future trading. Interest in Distillery issues was generally confined to secondary stocks.

Quietly firm conditions prevailed among leading Building issues. Occasional speculative interest lifted Leyland Fast 4 to 9 1/2 p and the 27 Industrial developed late on Friday. Vectis Stone put on 5 to 52p. In contrast, Brown and Jackson at 25 1/2 p, gave back all of Friday's rise of 5 p that stemmed from news that London Trust now holds a 10 per cent stake in the company.

DIY's good again

Proceedings in the Stores market continued to be dominated by D-I-Y concerns which attracted another useful demand and secured further good gains. Up 28 last week in response to the record earnings and proposed 400 per cent scrip-issue, Status Discount added 7 more to 245p, while Home Charm put on 6 fresh to 26 1/2 p, after 27 1/2 p, and A. G. Stanley appreciated 4 at 200p. Renewed buying ahead of the interim figures expected early next month prompted a rise of 9 to 20 1/2 p in MFI Furniture. Elsewhere, investment buying lifted Banners 7 to 13 1/2 p, after 13p, and Lee Cooper firmed 3 to 18 1/2 p following small demand in a thin market.

The Electrical leaders closed a shade off in places after churning a slightly harder tendency at the opening. Scattered offerings ahead of today's interim statement led Decca A 13 lower at 350p, while Lorraine secured a recent take-over favourite, encountered selling and fell away to 9 1/2 p before settling at 9 1/4 p for a fall of 5 on balance. On the other hand, Ferranti firmed 10 to 34 1/2 p and Ward and Goldstone met support 11 1/2 p, up 4. Still reflecting recent Press mention, Sound Diffusion hardened 2 further to 8 1/2 p, while revived demand ahead of next Thursday's half-yearly results prompted a gain of 4 to 23 1/2 p in Wholesale Flittings. Dealing were generally normal to suspended in Best and May at 65p; the company announcements are taking place which may lead to an offer.

Inclined harder initially, Engineering leaders eventually drifted to close 5 pence lower on balance. Hawker Siddeley eased 3 to 21 1/2 p and falls of 2 were marked against GRN, 24 1/2 p, and Tubes, 360p. Elsewhere, Weir Group responded to favourable Press mention with a rise of 5 to 9 1/2 p, while Percy Lane gained 3 to 47 for a similar reason and Wm. Cook Stone put on 5 to 52p. In contrast, Brown and Jackson at 25 1/2 p, gave back all of Friday's rise of 5 p that stemmed from news that London Trust now holds a 10 per cent stake in the company.

While leading Foods displayed narrow mixed movements, selected secondary issues made reasonable progress on the appearance of a few buyers. In supermarkets, William Morrison reflected small speculative interest with a gain of 5 to 97 1/2 p. In a similar vein, interim results due February 7, added a like amount to 21 1/2 p, after 22 1/2 p. Late interest lifted Barker and Dobson a penny to 14 1/2 p. Sidney C. Banks

found support at 8 1/2 p, up 3, while news that Haygate had increased its stake in the company to 15.05 per cent prompted a gain of 2 to 7 1/2 p in Carr's Milling. In predominantly firm metals, Trust Houses Forte, ahead of the annual results on Thursday, held at 36 1/2 p.

Bellair up Starting the new Account quietly, the miscellaneous Industrial leaders plotted an irregular course in this trading. After initial firmness to 60 1/2 p, Beecham reacted to close 5 off at 200p, and Glaxo ended the same amount lower at 47 1/2 p, after 48 1/2 p. Boveral added 3 to 17 1/2 p as did Reed International, to 15 1/2 p. Secondary issues paraded several firm features, usually in response to weekend Press comment. For that reason, J. F. Nash Securities put on 6 to 50 1/2 p, Bellair added 3 to 17 1/2 p as did Reed International, to 15 1/2 p. Secondary issues paraded several firm features, usually in response to weekend Press comment.

Small gains predominated in Trusts. Press mention stimulated buying interest in Yorkshire and Financials, hovers ahead of the interim results, due shortly, left Dalgety 7 to the good at 32 1/2 p. Shipments tended firmer again, with buyers showing interest in S&P, and Ocean Transport, 2 up at 11 1/2 p.

Idle Textiles were again featured by speculative comment. David Dixon hardened 3 to 12 1/2 p, while a reasonable turnover at Sirdar touched a 1978/79 high of 10 1/2 p before closing a net 3 off at 10 1/2 p.

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Bats firmed 2 to 25 1/2 p ahead of today's interim statement.

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FINANCIAL TIMES STOCK INDICES table with columns for various indices and their values.

HIGHS AND LOWS table showing price ranges for various stocks.

S.E. ACTIVITY table showing trading activity in different sectors.

NEW HIGHS AND LOWS FOR 1978/9 table listing new price records.

NEW HIGHS (49) table listing specific high-performing stocks.

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ACTIVE STOCKS table listing stocks with significant price movements.

RISES AND FALLS YESTERDAY table showing daily price changes.

Table with financial data and percentages.

BOND DRAWINGS

IRELAND U.S. Bonds 9% 1985 S. G. WARBURG & CO. LTD., announce that the redemption instalment of U.S.\$900,000 due 1st March, 1979 has been met by purchases in the market to the nominal value of U.S.\$416,000 and by a drawing of Bonds to the nominal value of U.S.\$484,000.

Table of bond drawings with columns for serial numbers and amounts.

On 1st March, 1979 there will become due and payable upon each Bond drawn for redemption, the principal amount thereof, together with accrued interest to said date at the office of...

U.S.\$900,000 nominal amount of Bonds will remain outstanding after 1st March, 1979. The following Bonds previously drawn for redemption on dates as shown below, have not yet been presented for payment.

Table of bond drawings with columns for serial numbers and amounts.

30, Gresham Street, London, EC2P 2EB.

LONDON TRADED OPTIONS

Table of London traded options with columns for option type, price, and volume.

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Table of recent issues with columns for issue name, price, and volume.

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Table of fixed interest stocks with columns for stock name, price, and volume.

"RIGHTS" OFFERS

Table of rights offers with columns for offer name, price, and volume.

Renunciation date usually last day for dealing free of stamp duty. Figures based on prospectus assumptions. Assumed dividend and yield. Forecast dividend based on previous year's earnings. * Obsolete and yield based on prospectus or other official estimates for 1978. † Gross Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. † Posing price to public. ‡ Pence unless otherwise indicated. † Issued by tender. ‡ Offered to holders of ordinary shares as rights. † Issued by way of consolidation. ‡ Introduced. † Issued in connection with reorganisation, merger or take-over. ‡ Introduction. † Issued to former preference holders. ‡ Allotment letters (if fully-paid). † Provisional or partly-paid allotment letters. ‡ With warrants. † Unlisted security.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of equity groups and sub-sections.

Main table of FT-Actuaries Share Indices with columns for index number, name, and value.

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Table of fixed interest price indices with columns for index name and value.

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INSURANCE BASE RATES

Table showing insurance base rates for various categories.

NOTES

Notes section containing additional information and disclaimers regarding the data presented.

FOR YOUR COMPANY- CASH FLOW GUARANTEED

contact-B. D. Kay INTERNATIONAL FACTORS LTD

BRITISH FUNDS

Table of British Funds with columns for Name, Price, and Yield.

AMERICANS

Table of American Funds with columns for Name, Price, and Yield.

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COMMONWEALTH & AFRICAN LOANS

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FINANCIAL TIMES PUBLISHED IN LONDON & FRANKFURT

Head Office: Bracken House, 10, Cannon Street, London EC4P 4BY

EDITORIAL OFFICES Amsterdam: P.O. Box 1255, Amsterdam-C.

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INDUSTRIALS (Misc.)

Table of Industrials (Misc.).

FOOD, GROCERIES-Cont.

Table of Food, Groceries.



Penetrate the Property Market with Grimley & son

Gundelach to keep up price freeze drive

BY CHRISTOPHER PARKES

MR. FINN-OLAV GUNDELACH, Common Market Agriculture Commissioner, is pressing ahead with his campaign for a freeze on "Common" farm prices in Europe, he confirmed in London last night.

He has shelved until next year plans for monetary changes which would have led to reductions in farm earnings in the "hard currency" members of the Nine (West Germany and the Benelux countries), he said.

There were fears in West Germany and Benelux that "green money" adjustments, to reduce value in national currencies of prices fixed in units of account, would have cut incomes.

The Commissioner still plans to propose monetary adjustments in Britain, France, Ireland and Italy which will give farmers in those countries some price increases.

For the UK he is expected to put forward changes worth a price rise of some 5 per cent.

Although he fully supported the British hard line on a general no-change policy, Mr. Gundelach also had some bad news for Mr. John Silkin, the Minister of Agriculture.

He will propose a heavy tax on all milk production exceeding last year's output. There would be no exemptions, he said, except for small-scale dairy producers who depended almost entirely on milk for their living.

Mr. Silkin plans to expand dairying in Britain, and has

been campaigning vigorously to drive out of business the small producers Mr. Gundelach is so eager to protect.

The Commissioner said the money raised from the levy would be returned to national governments to help stimulate milk and dairy products consumption.

He had tried in the past to reduce support-buying prices for milk products, but since that had failed he did not feel tempted to try again.

Mr. Gundelach claimed that the confrontation between Community Ministers was not as bitter as had been suggested.

He maintained that there was still general agreement among the Nine on the need for strict price controls to help limit surpluses.

While he would not propose "green money" adjustments for West Germany and Benelux, he would aim at a start next year. By then, he said, given a "careful" approach, he might even be able to relax the "freeze" on prices of some commodities.

The Commissioner will present his proposals to the 13-man Commission in Brussels tomorrow. If approved the package will be passed on to the Agriculture Council meeting on Monday.

British officials suggested that the plans might prove too controversial for some of Mr. Gundelach's colleagues, and that next week's Council meeting might be cancelled.

Bank workers oppose general extension of working hours

BY NICK GARNETT, LABOUR STAFF

A FIRM LINE against the general extension of bank opening hours was adopted yesterday by a special delegate conference of the National Union of Bank Employees. Where extended opening can be negotiated the union will seek a 28-hour working week.

This is likely to make it more difficult for the clearing banks, most of which have drawn up schemes for lengthening opening hours, to negotiate changed banking hours at their branches.

However, the delegate conference did leave the door open part of the way and the banks will use this to try to negotiate new schemes, principally involving extended weekday opening.

The conference of representatives from almost all the union's 220 area branches decided to oppose the opening of domestic bank branches on Saturdays and if necessary consider industrial action to support that view.

This was generally in line with the recommendation from the union's executive and is of no surprise to bank managements.

The conference also agreed to oppose any general extension of opening hours, Monday to Friday inclusive, apart from special cases. These normally refer to air and seaports or shopping centres with special banking problems.

This represents a firmer position than the executive's recommendation. The delegates decided that no extension of hours, Monday to Friday, should be considered until proper negotiating procedures including, in the case of the English clearing banks, national

machinery have been established.

The clearing banks' national negotiating machinery is in disarray although the conference decision implies that there may be a considerable number of cases involving altered opening times on which the union might be prepared to negotiate.

The conference decided that, in all cases involving opening hours outside existing hours, the total basic working week must be reduced with adequate agreed safeguards on staffing levels. There should be no increase in the 35-hour week or the number of days worked by members at the branches concerned.

Where extended opening hours are proposed, the union will aim to negotiate a four-day 28-hour working week, excluding Saturdays and Sundays, and for an increase in staffing levels.

A substantial premium based on percentage of salary will be required to be paid to all staff depending on the nature of the hours to be worked.

Help urged for home buyers

BY MICHAEL CASSELL

A FINANCIAL safety net should be established to help people with lower incomes who run into financial difficulties after buying their own homes, according to "Roof", the Shelter magazine.

Weather

UK TODAY
CLOUDY with sleet or snow showers, dying out later. Maximum temperature 5C (41F). London, S.E. England, E. Anglia, N.E. England.
Cloudy. Sleet or snow.
Cent. S. England, Channel Isles, W. Country, S. Wales

BUSINESS CENTRES	
City	Temp
Amedn	16
Adana	18
Bahrain	24
Beirut	17
Bombay	27
Buenos Aires	15
Calcutta	27
Cairo	21
Cardiff	10
Chennai	27
Colombo	27
Copenhagen	10
Dhaka	27
Frankfurt	10
Geneva	10
Glasgow	10
Helsinki	10
Hong Kong	22
London	11
Luxembourg	10
Madrid	16
Manchester	10
Melbourne	18
Moscow	10
Mumbai	27
Nairobi	27
Paris	10
Rangoon	27
Reykjavik	10
Singapore	27
Stockholm	10
Tehran	27
Tokyo	22
Zurich	10

HOLIDAY RESORTS	
City	Temp
Algeria	15
Amman	27
Ankara	15
Antwerp	10
Athens	15
Batavia	27
Bombay	27
Buenos Aires	15
Calcutta	27
Cairo	21
Cardiff	10
Chennai	27
Colombo	27
Copenhagen	10
Dhaka	27
Frankfurt	10
Geneva	10
Glasgow	10
Helsinki	10
Hong Kong	22
London	11
Luxembourg	10
Madrid	16
Manchester	10
Melbourne	18
Moscow	10
Mumbai	27
Nairobi	27
Paris	10
Rangoon	27
Reykjavik	10
Singapore	27
Stockholm	10
Tehran	27
Tokyo	22
Zurich	10

Vice-President Deng's U.S. message 'We must work for world peace'

BY JUREK MARTIN AND COLINA MACDOUGALL IN WASHINGTON

THE U.S. and China were duty bound to work together to promote world peace, security and stability, Chinese Vice-Premier Deng Xiaoping declared in Washington yesterday.

In remarks on the White House lawn marking the official beginning of his nine-day visit to the U.S., the Vice-Premier noted that the factors making for war were visibly growing in the world today. But he was possibly seeking to avoid an overt confrontation with the American policy of détente; since his brief speech did not mention the Soviet Union by name.

Mr. Deng said in a similar conciliatory vein that he was carrying a message of friendship from the Chinese to the American people. He recalled 200 years of contacts between the two peoples, and dismissed the period of "unpleasantness" which had characterised the past 30 years.

President Jimmy Carter said that normalisation should lead to fruitful contacts in several areas of bilateral interest. Vice-Premier Deng would be able to see and experience the American nation, and the U.S. would have the chance to experience China. "Seeing once is worth a hundred descriptions," the President said, quoting an old

Chinese proverb.

The opening ceremonies were marked briefly by two young people who began shouting slogans: "Traitor Deng beware," and "Long live Mao and the gang of four." They were quickly dragged away from the Press stand by secret servicemen.

Outside the White House, groups supporting Taiwan marched and chanted, their voices drifting over the White House lawns.

But the traditional cordialities so evident this morning may mask more hard-hitting discussions between President Carter and his guest over the next two days. Vice-Premier Deng is likely to argue forcefully that the Soviet Union does present a threat to world peace.

The Vice-Premier made this explicit in an interview given to Time Magazine before he left Peking, which was published here yesterday. Mr. Deng referred to the Soviet Union as the "hottest of war," and said that the U.S. was in "strategic retreat."

He added: "If we really want to be able to place curbs on the polar bear, the only thing is for us to unite."

He accused the Soviet Union of always bullying the soft and fearing the strong, and suggested that in the near future,



Chinese Vice-Premier Deng Xiaoping claps his hands as he steps from his aircraft on arrival at Andrews Air Force Base.

The Soviet strategic force might surpass that of the U.S.

He endorsed those in this country who opposed the conclusion of a strategic arms agreement between the U.S. and the Soviet Union, which he saw as enhancing Soviet military might.

President Carter, on the other hand, is likely to emphasize that the U.S. hopes to maintain a balanced relationship with both the Soviet Union and China, though as a Pacific power, it has a particular interest in ensuring peace in the Pacific Basin.

It sees the good relations between both China and Japan, and China and itself, as important and hopeful factors in this assessment.

Hope for early frozen assets pact with China, Page 4

UK hopes for £100m Argentine naval order

By Hugh O'Shaughnessy and Ian Hargreaves

British manufacturers of naval equipment are expected to secure about £100m of sub-contracting work when Argentina confirms its order shortly for six frigates worth some £500m from the West German yard of Blohm and Voss.

It was given a provisional contract in the middle of last year and is understood to have won the contract outright after hesitation by the Bonn government about the deal. These reservations were caused by the prospect of war between Argentina and Chile over the Beagle Channel dispute.

Bonn had not wanted to approve an arms contract with a country on the brink of war, but the danger of hostilities has receded. The Pope agreed last week to mediate in the dispute.

Rolls-Royce is likely to supply Marine Olympus engines for the vessels. David Brown the gearboxes and Hawker Siddeley the engine room controls. Westland is in the running for any helicopters for the warships.

There is natural disappointment among British companies about the loss of the main order for which Vespene Thornycroft, a subsidiary of British Shipbuilders, was bidding last.

However, they take some consolation from the Export Credits Guarantee Department being able to book new British business with Argentina. Had the frigate deal gone through, ECGD's quota for Argentine business and its ability to give cover might have been exhausted.

Pilkington buys stake in Brazil companies

BY ANDREW TAYLOR

PILKINGTON BROTHERS is to pay about £14.5m for strategic stakes in two Brazilian glass manufacturing companies. The deals will give Pilkington an interest in South America's first float glass plant.

In the past five years Pilkington has earned more than £120m in royalties and technical fees from its revolutionary float glass manufacturing process. It has been seeking to use some of that to expand its glass-making activities.

The deals will give Pilkington a 38 per cent stake in Provido, which makes sheet glass and 50 per cent of Santa Lucia Cristals Blindex, which produces safety glass.

Pilkington will be in partnership with BSN Gervais Danone, a French-based conglomerate with significant glass interests through its West German subsidiary, Flachglas. BSN will hold identical stakes in the two Brazilian companies.

The Brazilian companies reported combined net assets of U.S.\$38m (£19m) at the end of 1977 but Pilkington has declined to disclose profits.

The most important aspect of the deals, however, will be Pilkington's interest in a new float glass plant to be built by Provido and Santa Marina, another Brazilian glass manufacturer.

Construction of the new plant is to start this year and might cost £70m at current prices. Pilkington has a 35 per cent stake in a float glass operation in Mexico and owns two float plants in Canada. It also owns a sheet glass company in Argentina.

The float glass process, in which molten glass is floated on molten tin, is used under licence by manufacturers in many countries, including the Soviet Union, Japan and the U.S. In 1977-78 Pilkington earned £33m pre-tax profit from float glass royalties; 46 per cent of total group profits of £72m.

BL to recall 5,100 men

By Kenneth Gooding

BL to recall 5,100 laid off at the Austin Morris plant at Cowley, Oxford, tomorrow and a further 2,600 at the neighbouring Pressed Steel Fisher factory which supplies bodies for Cowsley.

It is understood that haulage companies which ship components to Cowley have settled with their drivers and normal supplies are getting through to the plant.

The first Cowley layoffs were made on Tuesday last week and by the weekend the plant was at a standstill. Now there will be only 200 laid off within the Austin Morris volume cars division of BL, at a factory in Coventry which rebuilds engines.

Ford's production is still well below normal levels and the impact of the dispute continues to reverberate around the group's European operations.

With East coast ports it usually employs still locked tight, Ford has found other methods of getting its components distributed.

It has, for example, been air-lifting some parts from the Dagenham plant via Stansted to Hailwood on Merseyside and to the factory at Genk in Belgium.

Amex improves terms

Continued from Page 1

chairman and chief executive of American Express, describes the fierce opposition to the deal as a "scorched earth" policy which could damage McGraw-Hill's business, "making the transaction less desirable to us or any other possible bidder."

McGraw-Hill has argued that if its publishing and credit-rating businesses were taken over by American Express their credibility, and therefore their business prospects, would be damaged by potential conflicts of interest. American Express is a financial conglomerate, and McGraw-Hill controls Business Week magazine and the Standard and Poors credit-rating concern.

In an effort to meet that criticism American Express yesterday offered to work out arrangements designed to secure their editorial independence, modelled on "arrangements in effect with respect to the Economist in London and other important publications." It is unlikely, however, that American Express would want to surrender part of the equity in McGraw-Hill's magazine interests.

Editorial independence at the Economist is protected by a self-perpetuating board of trustees first appointed in 1929. The trustees can veto the removal of the editor and must also agree to the appointment of a new editor.

A clause confines the largest shareholder, the Financial Times, to a maximum of half of the shares, thus preventing any one owner having effective control.

Hauliers revise offer

Continued from Page 1

settled with their drivers on the union's claim. This is a small proportion of the 49,000 hire and reward haulage companies operating in Britain. Many of these, however, are not strictly affected by the union's claim.

Hauliers in Scotland were now making company settlements with their drivers since union officials there had decided to drop sanctions against any employer who agreed to meet the union's full money claim.

Philip Rawstone writes: Some 10,000 of the 40-50,000 lorry drivers had returned to work. Mr. Merlyn Rees, Home Secretary, told the Commons yesterday. Speaking on the day when BL announced that it would tomorrow recall 7,700 men laid off at the Cowley car plant and the Pressed Steel Fisher factory, he said, the movement of supplies through the ports was improving. Normal operations were being resumed at ports in East Anglia, more goods were beginning to move from Hull, and there was practically no picketing at Avonmouth.

Mr. Rees said that the Government had pressed the transport unions for a strict application of the picketing code of practice at the docks and inland container terminals. They had been told it was vital that there should be no obstruction of priority supplies or of any goods carried by vehicles not involved in the dispute.

Pressed by Tory MPs about allegations of intimidation by pickets, Mr. Rees retorted that those who did not report such cases to the police "deserve what they get."

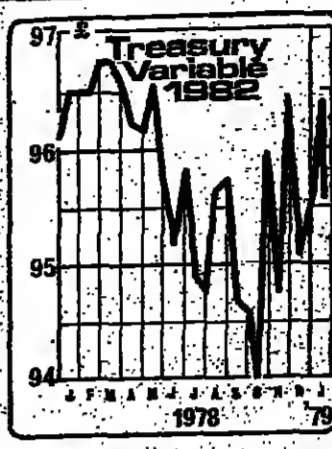
Amid protests, he added later: "They have to trust the police. They will be protected."

Mr. Rees told MPs that industrial production had now fallen to about 85 per cent of normal and that some 250,000 workers had been laid off.

THE LEX COLUMN

Big discount for new Variables

Index fell 1.7 to 463.3



The first two variable rate gilt-edged stocks have provided quite a haven from the storms of the past few months, but holders suffered a bit of a jolt yesterday when the Government broker proved a willing seller of his latest variable rate stock, colloquially known as V3, at a price as low as 94. As a result V1 and V2 shed the best part of a point each, a reminder of what can happen when the authorities attack a section of the gilt-edged market which has been effectively untapped for some time.

In pricing the new stock so far below par the authorities have underlined the deficiencies of the formula which they unwisely adopted for the first variable rate stock nearly two years ago, and have now repeated twice more. The coupon is linked to Treasury bill rates—a discount rate currently some 12.1 per cent—and not to the yield on Treasury bills which is more like 12.5 per cent. So when interest rates are high the V stocks have to stand at a significant discount to give an acceptable running yield. That means the capital risk is not as minimal as it should be.

belongs to a Pilkington associate in Mexico.

Unable directly to attack the major western economies, as it had been forced through earlier financial constraints to sell the float process under licence to other companies in Europe, North America and Japan, Pilkington has been building up an impressive set of manufacturing interests elsewhere. Recent profit figures have shown the benefit of these investments.

When float glass factories began to run-out in the early 1980s, this manufacturing income will be essential to offset the loss of earnings from royalties. In addition, Pilkington's investments now should assure it strong competitive advantages in countries such as Scandinavia and South Africa by then.

So Brazil looks a good idea in principle. But Pilkington is being curiously coy about the advantages of this particular deal, giving no trading details about the two companies except to say that they are profitable.

Pilkington's record may allow shareholders to take a good deal on trust but a few more details about this rather complicated business might be reassuring.

Amex-McGraw

American Express has had its nose hooded three times in unsuccessful take-over moves in recent years, and the way things are going McGraw-Hill is likely to do it again. Having had its first offer of \$34 a share turned down with aggressive contempt, Amex is now proposing to offer \$40—so long as M-H promises not to impose its "propaganda, litigation or otherwise."

There has been plenty of this so far. M-H has filed a barrage of suits in both State and Federal Courts, and has asked the Federal Trade Commission to intervene. The battle has also not amex under an uncomfortable spotlight. It has been wriggling uncomfortably in the face of allegations that its earnings record is not quite as impressive as it seems, and that its growth is about to be crunched by new competition in travellers' cheques and credit cards, and by a cyclical downturn in its insurance business.

Its best hope now must be to drive wedges between M-H shareholders, and to raise the spectre of class actions against the M-H Board by dangling in front of them an offer which looks generous on strict financial grounds. M-H was trading at under \$25 before the excite-

Thos. W. Ward

A year ago Thos. W. Ward welcomed the Kyle recommendations on inflation accounting, and the company was one of the first large groups to comply. But this year's annual report omits any mention of inflation accounting although the chairman states that "we still need to improve the real rate of profit if we are to satisfy the future needs of the business and provide adequate dividends for shareholders."

Ward, with a heavy investment in stock and work in progress, is vulnerable to inflation, and shareholders may wonder why current cost disclosures have been abandoned just ahead of a probable rise in the UK inflation rate. The answer, apparently, is that Ward does not believe there is an adequate consensus on what an adequate inflation adjustment is. Yet surely there is more of a consensus now than there was a year ago.

Cyclical indicators

A gloomy view of the economic cycle comes from brokers Panmure Gordon in their latest quarterly review of cyclical indicators. Many of the relationships plotted are now showing cyclical turning points corresponding to a recovery by the economy into a recessionary phase. The immediate implications for the financial markets are judged to be bearish; for current developments point to rising liquidity pressures in the corporate sector during 1979. On paper, company profits could look reasonably good this year, but there will be a surge in stock appreciation reflecting large rises in wage costs and a less favourable trend in raw material prices.

Still, Panmure Gordon are not prophesying another 1974. On their charts that year looks like an aberration, and most of the economic indicators have since moved back near to their 1974 trend lines. The snag is that the trend lines in most cases are being the wrong way, so that the financial markets will have to cope with the transition to recession from a base which is generally less favourable than in 1976, the corresponding year of the last "normal" cycle.

Amex-McGraw

Continued from Page 1

secure their editorial independence, modelled on "arrangements in effect with respect to the Economist in London and other important publications." It is unlikely, however, that American Express would want to surrender part of the equity in McGraw-Hill's magazine interests.

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A clause confines the largest shareholder, the Financial Times, to a maximum of half of the shares, thus preventing any one owner having effective control.

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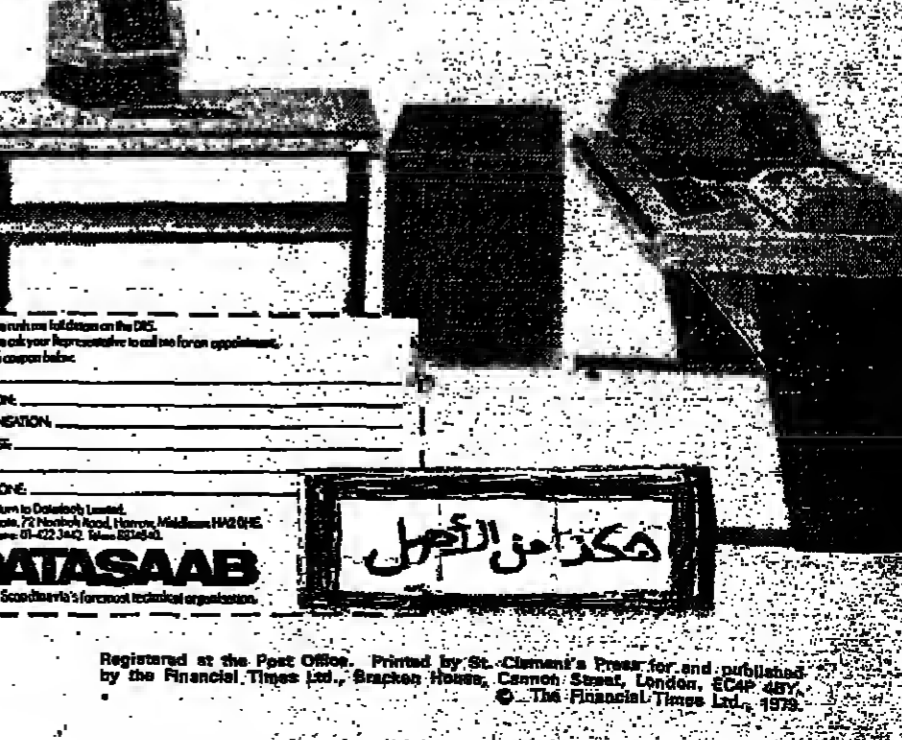
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